

THE DEPARTMENT OF DEFENSE AND THE FISCAL YEAR 2008 BUDGET

HEARING BEFORE THE COMMITTEE ON THE BUDGET HOUSE OF REPRESENTATIVES ONE HUNDRED TENTH CONGRESS FIRST SESSION

HEARING HELD IN WASHINGTON, DC, MARCH 6, 2007

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TUESDAY, MARCH 6, 2007

HOUSE OF REPRESENTATIVES,
COMMITTEE ON THE BUDGET,
Washington, DC.

The committee met, pursuant to call, at 10:05 a.m., in room 210, Cannon House Office Building, Hon. John Spratt [chairman of the committee] presiding.

Present: Representatives Spratt, Cooper, Allen, Schwartz, Kaptur, Becerra, Doggett, Blumenauer, Boyd, McGovern, Sutton, Scott, Etheridge, Hooley, Moore, Bishop, Ryan, Barrett, Bonner, Diaz-Balart, Hensarling, Lungren, Mack, Campbell, Tiberi, Porter, and Smith.

Chairman SPRATT. Secretary England, Secretary Jonas and Admiral Giambastiani, we are grateful that you have come here again to testify about the defense budget. To help us better understand the assumptions that underlie the President's 2008 discretionary budget provides \$643.7 billion for what we call "Function 050," National Defense. That makes this the largest defense budget since the Second World War. Of this amount, \$501.9 billion is for the so-called "base defense budget," and \$142 billion is for operations associated with Iraq and the global war on terrorists. Nearly \$623 billion of the total goes to the Department of Defense and falls in your domain.

The defense budget has been on an upward, ascending trajectory over the last 6 years, and the President's budget for 2008 continues this trend. With the retirement of the baby boomers on the horizon, 77 million of them marching to their retirement as we meet today, and the budget pressures that will bring to bear on Social Security, Medicare and Medicaid, we have to ask ourselves "is the enlarging, setting and enlarging an unprecedentedly large peacetime defense budget sustainable?"

We are fighting the battle of the budget here on this committee, trying to balance the budget over a reasonable period of time. We both said 2012. The President has accepted that goal as the goal we should all strive to attain, but the question is can we accommodate your defense plans within a budget that comes to balance in the year 2012.

It also appears that we have underestimated various costs of the war in which we are now engaged, particularly in Iraq. We certainly did not estimate the magnitude of the aftermath, what would ensue the active fighting, and the cost there has been enormous.

In addition, in recent days we have been awakened to the fact that there is another cost that we did not fully appreciate or accrue, and that is the cost of treating our veterans who are coming back with grievous injuries, some of which are mental as well as physical.

The base defense budget, as we call it—that is, without supplementals—is \$37 billion above the amount that CBO says is needed to maintain current services for 2008 and \$237 billion above current services for over 5 years. That makes it not just the biggest single element in the budget, the discretionary budget, by far but also the fastest growing, faster growing than even most of the entitlement programs.

These increases capture, however, only a portion of the total increases to the defense budget since the beginning of the Bush administration, total defense spending increase under the administration's policies, which include war costs for 2009, that will exceed the CBO baseline set in January 2001, when Mr. Bush took office, by \$1.7 trillion. This amount will likely increase because the administration includes after 2009 no funding for our military operations in Iraq or Afghanistan. For the first time, the administration has requested funding for war operations for the upcoming year along with its base budget, and for that I commend you for including that request. It has been long overdue.

Using supplemental appropriations to fund war operations has been problematic for various reasons, but it does require the military frequently to divert funds from regular accounts to pay for war costs, to borrow from Paul to pay Peter. Until a supplemental is enacted and it increases, the practice has many effects, one of which is on readiness, which is a concern to all of us.

The administration's current request for the wars in Afghanistan and Iraq, \$170 billion for 2007, of which \$70 billion has already been appropriated, \$145 billion for 2008, are the largest yet and reflect increases of \$50 billion and \$25 billion respectively over the 2006 funding level. We are very interested in learning the details that underlie these estimates and are hoping to get your assurances that the budget is not only providing for the needs of our servicemen and servicewomen while they are in harm's way but is also providing for the needs of those who have been injured and have returned with injuries that are physical and mental.

I am also concerned regarding our overall security priorities in the budget. Are we actually putting funds toward those programs that address the most severe and serious threat we face? For example, the President has stated on several occasions that our number one security concern is nuclear weapons or other weapons of mass destruction in the hands of terrorists. If the funding to combat this threat has been lacking, the Cooperative Threat Reduction Program, for instance, which is designed to secure nuclear materials in Russia and other states of the former Soviet Union, would help ensure that these dangerous materials have not fallen into the wrong hands. The one thing they lack is nuclear materials. The 9/11 Commission recommended that we place the highest priority on this, but I am concerned that we have not done it. While funds have been plentiful to finance large weapon systems to combat traditional, many would say, Cold War threats like missile defense,

funds have been lacking to combat the more likely threat, unconventional, asymmetrical threats posed by terrorists. The 2008 budget cuts the Cooperative Threat Reduction by \$24 million. That is not a lot of money, but it is a significant cut in a program that addresses what we would commonly concede, I think agree, stipulate, is the largest, most serious threat we face, particularly state-side in the United States.

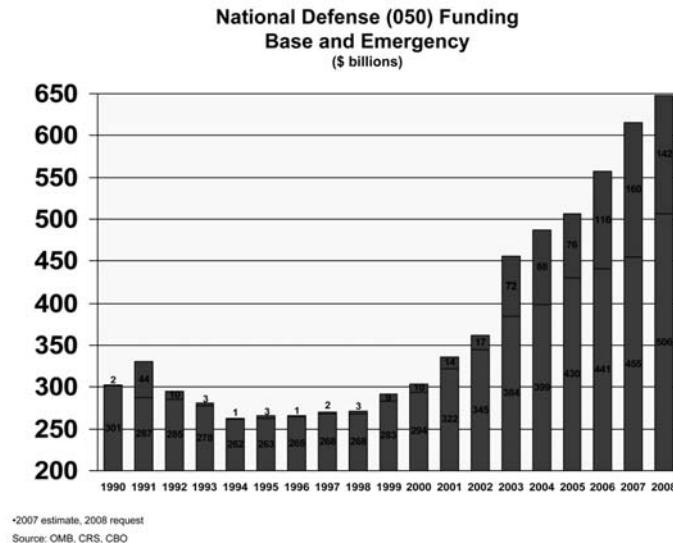
Secretary England, we look forward to your testimony on the budget. We hope you can give us a better understanding of the assumptions that underlie it, the assumptions you have used in building the budget and the long-term consequences. Before turning to you for your statement, though, let me ask Mr. Ryan for any statement he has to make.

Mr. RYAN. Thank you, Chairman. I, too, want to welcome the Secretary and the Admiral to the hearing.

In evaluating the President's defense requests, it is helpful to look at it in both a financial and a strategic context because since the end of the Cold War we have been trying to readjust our national defense posture to meet a vastly different set of security challenges from those we have been accustomed to. It is what the Pentagon likes to call "transformation." it has been going on since the Berlin Wall came down, and it is going on today. The difference is now that instead of managing a head-to-head competition between nuclear superpowers we have a worldwide war against terrorism in which adversaries can strike at any time, anywhere from Baghdad to London to New York City, and emerging nuclear threats from smaller countries like North Korea and Iran.

Our struggles with this transformation are reflected in our defense spending patterns of the past few decades, and if you could call up chart number 1, please, that would be very helpful.

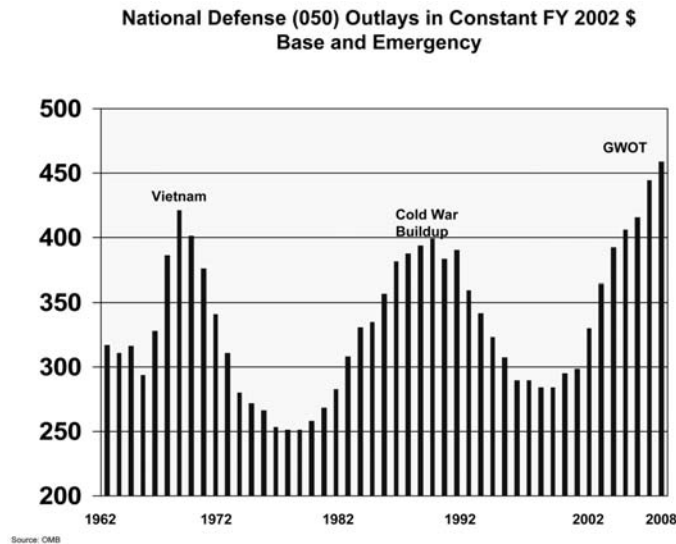
Have you got it, Jose?



Well, if you saw chart number 1, what it would be showing you is—yes. Can you see it right here? There you go. I thought we had this figured out last week.

Throughout the 1990s, we financed national defense for about \$300 billion a year in straight nominal dollars. In fact, it was almost flat through the middle part of the decade until 1999. Then it grew again, and since 9/11, defense spending shot up. Okay. There we have chart number 1. So you can sort of see the valley and the floor for a while. Under the President's request, it would keep rising to just shy of \$650 billion this next year. Even excluding amounts for direct combat operations, base defense spending next year would be nearly one-half a trillion dollars even though there was no longer a Soviet Union or any other global superpower for us to deal with, but when we look at these figures adjusted for inflation the impact becomes clear and the picture becomes a little more in focus.

Chart number 2, please.



This chart shows total defense spending in constant dollars, including war costs in the past and in the present, and it reflects how our defense spending in the 1990s actually declined sharply in real terms after the collapse of the Soviet bloc and a rapid victory in the Persian Gulf War. That trend began to change toward the end of the 1990s, and since 9/11, of course, defense spending has shot up dramatically, and again, our level of defense spending in real terms is even higher than it was at the culmination of the Cold War.

The point is we enjoyed a peace dividend, but that peace dividend was really hollow in the sense that we simply ignored the threat that was looming out there. Now we know the threat. It is clearly here. We clearly have to deal with it, and we believe that—I think most of us believe the first responsibility of the Federal Government is to protect the country in national security. It is our first responsibility. We have a much more dangerous world we are

living in today where threats come from multiple sources, not just one superpower, but with so much money that we are dedicating to this primary responsibility of the Federal Government, it is all the more incumbent on us to watch how we spend this money.

By dedicating so much money and so many increases, which clearly have a case to be made for them, we have to watch our taxpayer dollars, and this is an area where I think the Pentagon has a lot of room for improvement, whether it is IG reports, whether it is GAO reports, because this is the most important function of the Federal Government, the basic responsibility, because you have, no matter how you measure it, a need to rise up to the challenge and face these threats. While all of these taxpayer dollars—rightfully so—are being dedicated to these, we have to be ever more vigilant on how these dollars are being spent, and we have to make sure that this transformation is complete so that our DOD is structured toward the 21st century threats and not still hanging onto constituencies within the Pentagon and here in Congress from the 20th century.

With that, I want to thank the chairman, and I know in one hearing we are not going to get all of the answers to our questions, but I think we can get a good start on how we are going to establish accountability and how we are going to fully transform the Pentagon to mirror the 21st century threats we have, and I thank the chairman.

Chairman SPRATT. Secretary England, thank you again for coming. We have your written statement. We will make it part of the record so that you can summarize it to any extent you like, but the floor is yours, and you may proceed. Thank you very much for coming.

Oh, one thing before you do start. I would like to ask unanimous consent that all members who did not have an opportunity to make an opening statement be allowed to submit an opening statement in writing and enter it into the record at this point.

[The prepared statement of Mr. Hensarling follows:]

PREPARED STATEMENT OF HON. JEB HENSARLING, A REPRESENTATIVE IN CONGRESS
FROM THE STATE OF TEXAS

Secretary England, thank you for joining us again today to discuss the Department of Defense's priorities for 2008. I look forward to working with my colleagues to ensure that our servicemen and women have all the resources they need for victory. However, I do wish to raise concerns today regarding the Walter Reed Army Medical Center.

The Washington Post has detailed, through a series of articles, the squalid conditions and neglect that many outpatient servicemen were forced to endure in Building 18. I appreciate Secretary Gates' prompt response and I am confident that my fellow Texan Pete Geren will serve ably as the acting Secretary of the Army. Yet, this kind of situation must never be allowed to happen again. What concerns me most are reports that suggest that senior Army medical officers knew of these conditions as far back as 2003.

As Secretary Gates' independent review group moves forward, I hope that several important questions are answered. I would like to know why the broken outpatient care system at Walter Reed was not reported up the chain of command, and if individuals with knowledge of the situation that predates recent reports will be held accountable for their negligence. I would like to know if the Department of Defense plans to investigate other facilities in addition to Walter Reed and the National Naval Medical Center to ensure that such a situation never happens again. Finally, I would like to know what the Army plans to do in the interim to fix outpatient care for those servicemen and women that are already in the system. Please address these concerns in writing to me as soon as possible.

Secretary England, I agree with Calvin Coolidge's maxim, "The nation which forgets its defenders will itself be forgotten." We have an obligation to make this situation right, and ensure that our soldiers, sailors, airmen, and Marines receive the care they deserve when they return home.

Chairman SPRATT. Thank you very much. We look forward to your testimony.

STATEMENTS OF HON. GORDON ENGLAND, DEPUTY SECRETARY OF DEFENSE; ADM EDMUND P. GIAMBASTIANI, JR., USN, VICE CHAIRMAN, JOINT CHIEFS OF STAFF; AND HON. TINA W. JONAS, UNDER SECRETARY OF DEFENSE-CONTROLLER/CHIEF FINANCIAL OFFICER

Mr. ENGLAND. Mr. Chairman, thank you, Mr. Ryan and members of the committee.

First of all, thanks for the opportunity to be back. Hopefully, the last time we were together was helpful to the committee, and we are available, frankly, whenever you need us for either private discussions or for any hearing, and so we are pleased to cooperate with the committee. I do not really have an opening statement because this is our second appearance, but I will make just a comment or two if I can.

You are right. The defense budget has gone up, but it has gone up because of threats to our Nation. The Nation, in my judgment and, I think, in the judgment of most Americans, faces a broader array of security challenges than perhaps ever before, as commented here by Mr. Ryan. Just the threat of terrorism is obviously a great threat to America. We have been attacked right here in Washington, D.C. and, of course, in Pennsylvania and in New York. We are still dealing with countries like Iran and North Korea with nuclear ambitions and their track records of proliferation of support to terrorists, and then of course we always have concern about China and Russia, and their future paths are not clear, and we do have an obligation, obviously, to deter future aggressions. So we do have significant investments.

Also as pointed out, we did have very, very low investments throughout the 1990s. As to the comments made about our Cold War equipment, I will tell you we actually do not have a large amount of any type of equipment. We do not have many programs in production today. A lot of our equipment is aging, not getting newer. So, if anything, the U.S. military is aging. It is not that we are buying a lot of high tech equipment for other purposes, and of course, a lot of our expenditures are due to the war itself.

Also, another comment. When comparing to the past, I would remind the committee we now have an all-volunteer force, so we have members and their families, the spouses and children, and obviously the all-volunteer force is vastly more expensive than the forces we had in the past. That said, it is also vastly more capable.

So we do have the three requests here before the Congress, and that is the 2007 supplemental. It is the GWOT cost in 2008, and it is the 2008 budget. Regarding 2008, the last time we met, I indicated then that the war costs in 2008—not knowing if that is going to be more or less than we have today, we took the approach and just set a straight line from 2007, and so the baseline for 2008 will likely change either up or down based on what is happening on the ground in Iraq and Afghanistan, but that was the best estimate

that we had in terms of our expenditures based on the 2007 level going into 2008.

So with that, I believe everybody understands the basis of what we turned in in terms of these three budget requests.

Mr. Chairman, what I would like to do is just myself, Admiral Giambastiani and Ms. Tina Jonas, answer any questions that we can for the committee.

[The prepared statement of Secretary England follows:]

PREPARED STATEMENT OF HON. GORDON ENGLAND, DEPUTY SECRETARY OF DEFENSE

Chairman Spratt, Representative Ryan, Members of the House Budget Committee, thank you for the opportunity to meet today to discuss the current defense budget requests. We all share a common objective—to protect and defend America, and to take care of our men and women in uniform and their families.

The Vice Chairman of the Joint Chiefs of Staff Admiral Giambastiani and the Under Secretary of Defense (Comptroller) Ms. Jonas are here with me, and the three of us look forward to your questions.

Today, America and our friends and allies face a broader array of security challenges than ever before. Terrorists have declared their intention to destroy our very way of life. Rogue states like Iran and North Korea—with nuclear ambitions and track records of proliferation and support to terrorists—pose threats to their neighbors and beyond. And major states like China and Russia, whose future paths are not clear, continue to pursue sophisticated military modernization programs.

The defense budget requests before you will provide our joint warfighters with what they need to accomplish their mission of protecting and defending America—our land, our people and our way of life. Specifically, the budget requests support four major areas:

- Modernizing and recapitalizing joint warfighting capabilities;
- Sustaining the all-volunteer force;
- Improving the readiness of the force; and
- America's efforts, together with our partners, in Iraq, Afghanistan and elsewhere, in the war on terror.

There are three requests for the Department of Defense before the Congress: the President's request for Fiscal Year 2008 includes the base defense budget request for \$481.4 billion; and \$141.7 billion to fight the Global War on Terror. The FY 2007 Supplemental Appropriation Request for the Global War on Terror is for \$93.4 billion. The total request is \$716.5 billion.

That is a lot of money by any measure—Secretary Gates has called it “staggering”.

To put the size of the request in historical context—in 1945, toward the end of WWII, the Department's budget as a percentage of GDP was 34.5%. During the Korean conflict, it was 11.7%; in Vietnam—8.9%; and in Desert Storm—4.5%. Even during the Reagan build-up in the 1980's, the defense budget was 6% of GDP. Current defense spending—at about 4% of GDP—is the smallest proportion ever spent on defense during wartime.

The Department understands its fiduciary responsibility to Congress and to the American people to spend their money wisely. Part of that responsibility is making sure that the defense enterprise itself runs as effectively—and efficiently—as possible. So the Department is continually updating, adapting, and improving its processes—including decision-making, acquisitions, and auditing.

A few words about each of the requests before you:

The FY07 Supplemental covers the costs of contingency operations—primarily Iraq and Afghanistan—until the end of the Fiscal Year. One way to think about it is that these are “emergency” costs, brought about by the current war effort, which the Department would otherwise not have had at this time. This request is based on near-time information—with high fidelity. Frankly, the request is urgent—if these funds are delayed, the Department will have to start re-programming, with all the attendant disruptions.

The FY08 GWOT request provides funding starting with the new fiscal year in October. Actual requirements will depend on events on the ground in Iraq and Afghanistan—so the Department has used projections based on current monthly war costs to determine the numbers. In Iraq—as Secretary Gates has testified—there should be good indications about how well the military strategy is working by this summer, including how well the Iraqis are keeping their commitments to us.

The base budget is what we use to “man, organize, train and equip” America’s armed forces. It is about sustaining the force and also investing in future capabilities.

As we go forward, it is important not to lose sight of the long-term strategic picture while we prosecute the current war. It is important both to fund near-term tactical expenses and to invest in long-term deterrence—since it is a lot less expensive to deter than to fight and defeat. Finding the balance requires hard choices * * * and failing to find it means that the Nation could be at risk.

The Department’s greatest asset is our people. America is blessed that in every generation, brave men and women step forward to serve a cause higher than themselves. The Department responds by continuing to support a high quality of life for our servicemembers. Success in that regard is reflected in the Services’ ongoing ability to meet recruiting and retention goals:

- All four Services met or exceeded AC recruiting goals throughout FY 2006, and continued to do so through Jan 2007.
- In Jan 2007, four of six components exceeded their RC accession goals (except USAR, 99%, and USNR, 93%)
- In Jan 2007, AC retention remained solid. All but USN met their year-to-date missions, and USN expects to meet its goals for the full fiscal year.
- RC attrition remains well within acceptable limits in all reserve components.

Thank you for your support of our men and women in uniform, their civilian counterparts, and their families—for the funding and authorities they need to accomplish the mission.

Chairman SPRATT. Thank you very much, Mr. Secretary.

In my opening statement, I referred to the fact that—and I think everyone would agree—we underestimated the gravity and the cost and the complexity of the aftermath of the war in Iraq, and the question I would put to you this morning is there is another element of cost that we have underestimated and another factor that we have not sufficiently attended to, and that is the impact on soldiers and sailors and airmen and Marines who have returned to this country, particularly those with head injuries, spinal cord injuries, PTSD, and injuries like that, some of which are hard to diagnose but are nonetheless real medical problems.

Do you feel that we may have overlooked that aspect of the problem, that dimension of the wars in Iraq and Afghanistan, and are we adequately providing in our budget request for 2008 the amount of money needed to make Walter Reed truly the premier Army hospital, to have Bethesda provide the same sort of care? You have other military hospitals throughout the country and our Veterans Administration facilities, which should be under purview. Are you satisfied that we have got enough money in our budget to deal with that aspect of this problem?

Mr. ENGLAND. Mr. Chairman, I would say at this point uncertain, frankly. We actually have two kinds of medical treatment. We treat over 9 million people in the TRICARE, which is the insurance account, and we have about 4.5 million in what we call “primary care” for military and their families, so Walter Reed falls under the latter category. In total in the budget, there is about \$40 billion, so I would say when we put the budget together, you know, our best estimate was, yes, that handles all of the care we need. However, based on past events here in the past month or in the past few weeks, obviously there is some question if we will need to shore up some of those accounts, and in fact we are looking right now in the 2007 supplemental as to possibly moving some of that money around just to make some money available in case we need to do something to Walter Reed in the near term based on the findings

of these independent commissions and the work going on at Walter Reed.

So know that we are committed to do whatever we have to do, and if we have to reprogram or move money or, frankly, ask for money, we will not hesitate to do that. I would expect that, within the monies we have, hopefully we can move money and accommodate whatever we would have to do based on whatever the findings of the various studies and commissions are at Walter Reed.

I am looking at the whole medical health program. So I would have to say uncertain based on what we have all learned here in the last month and weeks.

Chairman SPRATT. Could you give us an idea of what you think may have to be reprogrammed to meet the problem that is now emerging?

Mr. ENGLAND. Well, near term—I mean people are going to be looking at this to understand, and right now, of course, the only thing that has come to light is potentially the outpatient care issues at Walter Reed. That is all that has really been identified. Now, both the Secretary of Defense and I know the services under the President are all putting together study groups to look not only at that but at the broader range. Near term, I would expect that this is in the tens of millions of dollars if we need to address something immediately at Walter Reed, and we can accommodate that just by, you know, reprogramming our own funding, but if it is beyond that, I mean if there is a total redo of some sort in terms of our medical capability, then obviously we would have to reexamine that when those reports come in, and that is just unknown at this time, Mr. Chairman.

Chairman SPRATT. Let me ask you about the anticipated amounts to cover the military operations in Iraq and Afghanistan.

Thus far, we have appropriated about \$503 billion for those two engagements plus operations; namely, the North American air defense and other aspects of enhanced security stateside. This year's budget for 2008 includes a substantial increase, a supplemental of \$145 billion on top of \$170 billion that will be provided for 2007—\$70 billion already provided, \$100 billion to come when the supplemental for this year is passed. That is a rather high level of expenditure in light of the fact that in 2009 you anticipate or you insert a plug number of \$50 billion for the cost of Iraq, Afghanistan, North American security, and enhanced security for that particular year.

Do you think that \$50 billion is adequate? In the outyears, 2010, 2011 and 2012, there is no adjustment at all. Do you think that is realistic?

Mr. ENGLAND. Mr. Chairman, I would expect there is some cost. Now, here is the dilemma we have in terms of estimating cost. In 2008, the GWOT cost—I do not want to call it a “supplemental,” but I guess it is, but the GWOT cost that was turned in with the budget, itself, as you rightly indicated, is \$141.7 billion. Now, to some extent, that is a plug because it is an extension of the 2007 number, and of course events are changing on the ground as we sit here in both Iraq and Afghanistan. So we took an extension of 2007 for 2008, not knowing what the circumstance on the ground would be in both Iraq and Afghanistan. So, as I indicated, that number

will certainly change somewhat, either up or down, and in looking out into the future—I mean, in the past, the plug was put in in past years for \$50 billion, even last year with the budget, so that has sort of been what we have done each year in the past on this. I think it is a number not knowing what the results on the ground will be, but they will be refined as we know more about it. But I would expect there is going to be some activity both in Afghanistan and in Iraq for some period of time, so I would not expect that will be zero, but I would also expect, as we get closer to that, that we would give some realistic estimate.

Chairman SPRATT. Well, our objective is to balance the budget by 2012, but in the years 2010, 2011 and 2012, we do not have a number from the Department of Defense for what you think is a reasonable ballpark estimate based on most likely scenarios about deployments in Iraq and Afghanistan. CBO has decided, in doing an out-year forecast over a 5- and 10-year period of time, you have got to have something to stick in there, to put in those particular slots, that approximates reality. There are conventional forecasting calls simply for repeating the supplementals, and yet they think maybe \$145 billion—let us hope—is too high a supplemental to repeat indefinitely for the foreseeable future. We hope it will taper off and come down, and CBO, trying to be realistic, makes that assumption, too. They have one particular model for assuming the cost of outyear deployments. It is based on a scenario that assumes that the number of deployed troops in support of Iraq and Afghanistan will gradually drop off from 220,000-225,000 today to a steady state of about 70,000-75,000 in 2013. If future costs continue to be split 85 percent to Iraq, 15 percent to Afghanistan, the war cost under this scenario, according to the CBO, could be \$764 billion, which is \$514 billion more than is captured in the President's budget.

How does that particular estimate strike you? Is that out of the ballpark or is that in the ballpark for what we are likely to encounter in those years for which there is either not a full number, 2009, or no number at all for the supplemental costs in 2010, 2011 and 2012? Is \$764 billion for that period of time a reasonable estimate for what we are likely to incur?

Mr. ENGLAND. Mr. Chairman, I mean I just have no idea. I mean they have some set of assumptions. I mean I do not know how you would—I do not know how they can possibly end up—I mean maybe, as you said, they put a plug number in, but here we are trying to project for 2008, and we do not know what the number is for 2008. I mean we just projected for 2007, so I do not know how you would estimate 2009, 2010 and 2011 at this point in time. I guess people can put a plug number in.

Chairman SPRATT. Well, how does the Defense Department—since the advent of program budgeting haven't you done a 6-year defense plan or set up a 5 future years defense plan that encompasses this year and 5 future years, and in doing that don't you have to do scenarios and do takeout costs—takeoffs—based on those scenarios?

Mr. ENGLAND. Well, we do, and we typically base it on a certain size of the force for our normal operations and whatever our procurement budgets are and our normal O&M operations, but that is not like being in war, so I mean they are all peacetime numbers,

basically, that we put in our budget. So it is training; we know how many steaming days, how many MOs, you know, fuel costs; we know how many people are in the military; we know our personnel cost, et cetera.

Chairman SPRATT. And all of those indices are up and trending upward, are they not?

Mr. ENGLAND. The size—

Chairman SPRATT. Flying time, steaming time, tank miles, all of that is trending upward and does not show any signs of near-term decline. Surely, you have got—

Mr. ENGLAND. It is up. Yes, sir. It is in our base budget. It is up. In addition, there is the straight line projection for the war cost in 2008.

Chairman SPRATT. Well, surely in doing the Future Year Defense Plan, you have made some assumptions about the deployment of forces. You do not just project these things into thin air when you have got a certain reality, and the reality is we are heavily engaged in two combat situations right now, and we have a global war on terror. That is the main thing. Isn't the Defense Department doing certain scenarios and doing cost takeoffs from that to be inserted into a realistic theater?

Mr. ENGLAND. Mr. Chairman, we have increased the size of the force, so you will see the increased size of the force, 65,000 for the Army and then another 27,000 for the Marine Corps. So that growth is included, and that is in our base budget, and the normal training, equipment and deploying of those forces is all included in the base budget. So the base budget is reasonably straightforward in estimating those expenditures going forward along with our acquisition and our research and development program and our personnel costs. So we know that pretty well going forward, but the war costs—I mean how much will we be spending in the war, to what level of activity we are going to have in the war, how much equipment will be lost, I mean that is extraordinarily hard to predict, and that has, by the way, been always the discussion about like a 2007 supplemental and trying to put things in the base budget. The advantage of the supplemental has been to us that it is a near term and we can do that with a high degree of fidelity. We are looking forward. We are just literally sort of guessing the environment. So I think it would be very, very hard to go estimate future war costs. Obviously, there are some costs there, but in trying to estimate those costs, you just have to pick a set of assumptions, and they would merely be assumptions that could be either right or wrong, and I am not sure how one would go about that with any degree of fidelity.

Chairman SPRATT. Let me ask you about weapon systems procurement. How many systems, if you know, are in the SAR, or in the Selected Acquisition Reporting system?

Mr. ENGLAND. I believe it is all of our—pardon me. I believe it is all of our major systems. Yes, ACAT-1-D. So our major acquisition programs are in the SAR, Mr. Chairman.

Chairman SPRATT. Do you have a percentage increase for these programs, a current program estimated cost as opposed to the baseline cost when the program was approved for advanced develop-

ment and production and procurement and went into the SAR reporting system?

Mr. ENGLAND. Well, the SAR changes—pardon me.

Mr. Chairman, the SAR changes depending on, for example, how many units we decide to buy. So those numbers will change dramatically as programs mature and you go into production and you change both your schedules and your acquisitions.

Chairman SPRATT. How about on a program unit cost basis?

Mr. ENGLAND. We do—

Chairman SPRATT. Do you have any estimate of how much the SAR system subject to the SAR reporting have increased on a program unit cost basis from the date of the initial estimate?

Mr. ENGLAND. Yes, we do know that. We know that on each program, and eventually that is what makes up the SAR.

Chairman SPRATT. Have you got an overall percentage increase for those?

Mr. ENGLAND. I guess that is—I mean we can get it. It depends on over what period of time, so there is a baseline each year established—

Chairman SPRATT. A baseline to the most recent reporting period, which I guess would have been December 31st. I am talking about SBIRS, for example—the space-based infrared satellite system—which is a replacement for DSP, the increase on a program unit basis. There are only a few of those, a handful or a dozen or so, if that, 315 percent. The F-22, 188 percent. Not all of this happened on your watch. I will say, for both of those programs, I think their origins were before your administration, but what are we doing to rein in, police and control the cost growth in these major acquisition systems?

Mr. ENGLAND. Let me first turn it over to the Vice Chairman because across the board, Mr. Chairman, there is a lot of effort underway in terms of all of our processes, methods in DOD because we are aware of the cost increases, some, frankly, predicted because quantities change and programs change, some just cost growth. So we are doing a lot of process changes, and a lot of that falls into the requirements area, and so, if I can, let me turn it over to Admiral Giambastiani because that is where the requirements are determined.

Chairman SPRATT. Admiral.

Admiral GIAMBASTIANI. Mr. Chairman, first of all, I am going to speak to you as what is called a Chairman of the Joint Requirements Oversight Council. It is a group of which, as I said, I am the Chair, and the four Vice Chiefs participate, the four Vice Chiefs of the Services. We set and validate military requirements for systems.

One of our problems in the past—and it continues today—is that sometimes we in the military set unrealistic requirements which, frankly, cost the taxpayer and cost us programmatically more than we should have signed up for. There are a variety of reasons for that. Some of them could be, for example, that we have technologies out there that we are trying to chase because they will give us a tremendous capability difference.

So what we have done in this inside the JROC is to look at cost drivers across all of these. I do not want to get too technical here,

but I could give you chapter and verse on this in a very long answer, but we have gone after cost drivers. We have looked at technology readiness levels. We have looked at what can be delivered within cost and schedule limits to provide additional capability. Let me give you a couple of real world examples of where we have gone back and looked at programs where we had a requirements problem.

One of them is the Joint Tactical Radio System. When I arrived at the Pentagon 18 months ago, we were faced with a potential Nunn-McCurdy breach on this program. The cost was going to rise from about \$3 billion to an estimated \$6 billion for the whole program. This is a very important program for the Department of Defense and for our military forces. It gives us a networking capability to network all of our forces. We went back and did a requirement scrub. We looked at the program, and we actually kept it within its \$3 billion cost estimates, and we went from 33 separate wave forms that were required down to 8. Now, what does that mean? We could probably meet 80 percent of our requirements with these 8 wave forms, and to get to the 33 total it would require a substantial amount of money and a lot of time, plus the technologies were not available. So we have looked at these cost growths. We have looked at risk factors, and we have tried to contain them inside the JROC side.

We also are trying to bring together in all of these communities acquisition requirements and resources, all of us together in each of these forums so we are not independently looking at what a program will do, and Ken Kreig and myself as the Cochairman of the Defense Acquisition Board have brought this into play with a repeated number of programs that we have been reviewing. The Deputy has been very supportive of these efforts, and we have been able to rein in a number of other programs, a weather satellite program where we had considerable growth, and we changed the requirements as opposed to holding them steadfast that it was the Holy Grail we had to chase.

So what I wanted to let you know is that we have been working very hard here over the last 18 months, since the Deputy and I have been in office, to make sure that we can constrain cost growth on these programs and get to the problem early.

One last comment I would give you on the JROC. There are congressional requirements for Nunn-McCurdy breaches on all programs that I have already spoken to. We have instituted in the JROC a requirement for the services and agencies who are building programs to come to the JROC if there is a 10 percent cost increase and talk to us about requirements before it is too late in the process to make a difference in what we are buying and what we are building.

Mr. ENGLAND. Mr. Chairman, if I can add also, there has been, I believe, like 120 studies in terms of how to improve acquisition in the Department of Defense, and there have been two of them on my watch, frankly, and our conclusion, having gone through literally one of them, was to go through the prior 120 and pull out all of the issues and make sure we understand them.

Our conclusion is that it is primarily a process issue in the Department of Defense. That is, we do actually get to control this ei-

ther by how we set the requirements or how we do the acquisition or how we deal with our supplier base. So we have major efforts, and we just turned in a report to the Congress. We have major efforts in the Department of Defense in terms of how do we improve our processes within the Department of Defense to get a better return on our investment in our acquisition area.

That said, I will tell you that it is very difficult. Everything we deal with is pretty much advance technology, and therefore, I mean it is a hard environment for us, but we can do better and we are working to do better in this regard.

Chairman SPRATT. Just two final questions because I am taking up all this time with these things that I think are necessary for us to cover. Both are with respect to additional costs. One is the recent decision to surge the troop level in Baghdad and to conduct intense urban operations within the City of Baghdad, which requires 21,500 combat troops. CBO has said that that 21,000 does not include a full complement of support and logistical backup support troops.

Number one, is that correct? Number two, what is the overall cost of this latest strategy, this surge strategy, including the complement necessary to provide adequate support?

Mr. ENGLAND. Mr. Chairman, the CBO estimate, I believe, was like 35,000 troops or something like that above the 21,000. It was an extraordinarily large number. We did not agree with that number. When the Chairman testified for the 21,000—when the Chairman and the Secretary of Defense testified for the 21,500, they said that it was 21,500, but it could be 10 or 15 percent higher in terms of added support troops, and that is likely the case. I mean our estimate is we will be above the 21,500 by about 10 or 15 percent. Now, also, there are requests in the field—I mean the war is a dynamic. It is not something you can estimate everything every day going into the future, so the commanders on the ground always have different requests coming into the Department of Defense, and we do have some requests from the commanders in the field—General Petraeus—but those numbers are still relatively low. I think the maximum of his request, not all validated, is still less than about 7,000 troops. So, at this point, our expectation is the number of support troops could go above 21,500 by about 4,000, maybe as many as 7,000 if the commanders on the ground request and they are all validated, but it will be much lower, in our judgment, than what the CBO estimate is. So, while there will be some variation—

Chairman SPRATT. Can you give us an idea of costs with the support troops included?

Mr. ENGLAND. Yes. If you add those troops and you add whatever else we know is being asked for at this time—I will say validated at this point—it is somewhere over \$1 billion.

Chairman SPRATT. That is between now and September 30th?

Mr. ENGLAND. Yes, between now and September 30th, and that is the only—and by the way, the only costing for the plus-up for the 21,500 is until October 1. In other words, there is no funding in the 2008 budget. We did not fund anything. The Secretary of Defense's view is that we will know shortly, and certainly by this summer we will have a very good idea of how the plus-up plan is

working in Iraq, and therefore we have not funded anything in the 2008 budget for that plus-up, so—

Chairman SPRATT. Now, the General was quoted in the Washington Post on February 16 as saying that the increase of 17,500 Army combat troops is only the tip of an iceberg and will potentially require thousands of additional support troops and trainers. Is he misquoted there?

Mr. ENGLAND. I am not sure what the 17,500 number is, and I do not know what the General was referring to. I know that if you look at all of the requests we have in the Department of Defense, the total requests at this point is 4,000 to 5,000. There is one other request for some aviation assets, but they have not been validated by the Joint Chiefs. So of everything that I know that has been requested, the number in terms of support troops is about 7,000, but those that have been validated total about 4,000 troops, and that is a little over \$1 billion, but our expectation is we would not ask for new money. I mean, for the purposes of the budget, we would just reallocate to cover those funds.

Chairman SPRATT. One final question.

Admiral GIAMBASTIANI. Mr. Chairman, if I could, I would like to add that I think the Deputy Secretary has accurately described the requests that are currently outstanding.

Chairman SPRATT. One final question.

As to the replacement, repair, refurbishment of equipment that has been badly damaged, worn out or otherwise abandoned and destroyed in the battle theater, these costs are fairly substantial. Could you give us just some ballpark notion of what the reset expense is going to be this year and next year and into the foreseeable future?

Mr. ENGLAND. Do you have the specific numbers?

Ms. JONAS. Yes.

Mr. Chairman, we have in the supplemental—in the 2007 supplemental, we have included \$13.9 billion. That would bring the total, given what was provided in the Title IX funds to 2007, to \$37.6 billion, and we have an equal amount requested in the 2008 GWOT request.

Chairman SPRATT. \$13 billion? \$14 billion?

Ms. JONAS. \$37.6 billion for the entire year of 2008, and for 2007, the amount pending before the Congress right now in the supplemental is \$13.9 billion. If you add that to what has already been appropriated for 2007, you come up with \$37.6 billion.

Chairman SPRATT. And that amount has been requested for 2008 as well then?

Ms. JONAS. Yes, sir. Uh-huh.

Chairman SPRATT. And is part of it in the supplemental? Is all of it in the supplemental?

Ms. JONAS. The \$13.9 billion is requested in the supplemental. For 2008, we have got an OA GWOT request that covers 12 months.

Chairman SPRATT. So some of it is in the supplemental, and some of it is in the base budget.

Ms. JONAS. Correct, sir.

Chairman SPRATT. Going forward, what is the likely expense there? I will say that the Commandant of the Marine Corps and

the Chief of Staff of the Army told the Armed Services Committee that if we stop tomorrow you will still have probably 3 years, maybe 4 of expenses at this relative range to catch up with all of the equipment problems.

Mr. ENGLAND. Okay. I believe we have said—I am surprised at the 3 or 4 years. The discussions that I have had in our planning is, once the war ends, there are 2 years, and those 2 years are in the order of \$15 billion to \$20 billion a year, so maybe that is 3 or 4 years, but I would expect a residual amount is probably about right, Mr. Chairman. So it is probably \$30 billion, maybe \$40 billion, again depending on the war itself, but there will be a residual cost once the war ends of all of the equipment still in country to come back and be refurbished and reset.

Chairman SPRATT. Okay. Thank you very much.

Mr. Ryan.

Mr. RYAN. I want to ask a couple of questions about the supplemental request.

You have two F-35 Joint Strike Fighters in your supplemental request; is that correct, Mr. Secretary?

Mr. ENGLAND. Yes, but frankly, Mr. Ryan, we are reconsidering that. I mean we had some feedback from this committee and from other committees, so we are looking at that, and as I said before, there are some other requests we have. For example, I just mentioned this over \$1 billion for, you know, the support. So we are looking now at perhaps restructuring that because it is a valid point. I mean they do not show up in time to affect a war.

Mr. RYAN. That is why I was going to ask the question. When are they even going to be ready?

Mr. ENGLAND. Well, they are ready in about 2010.

Mr. RYAN. 2010?

Mr. ENGLAND. But nonetheless—I mean there are lower priorities and other things, so we would defer those, but I do want to comment that there is a principle that is very important here, and that is, as we lose equipment and we are not buying the old models, we do need to recover the cost of the equipment lost, and our practice today is to buy whatever is in production. In the case of the airplanes—

Mr. RYAN. The F-16s are still in production, are they not?

Mr. ENGLAND. But not an Air Force version, so you have to go back because we are not buying F-16s for U.S. Military today. They are all international sales, so you would have to go back and build a unique model for literally one or two airplanes, which would not be reasonable. So we try to cover what I call either the “loss” or the “accelerated depreciation cost,” recover the cost so we can reinvest it.

Now, if we do not do that, it is true it will not affect us this year or next year, but at some point in the future, we will be short equipment, and we will have another problem in terms of our asset base. So there is a principle that is important, but we can reallocate and reprioritize, and we are working to do that right now. So I expect because of other pressing needs we will move those to the bottom of the priority list, and we will put other needs in place of them.

Mr. RYAN. Yes, I would encourage you to do that. I understand the principle. It is a logical principle, but it is obviously not something that you are going to get into the production and what we would consider as crossing the threshold as being relevant in the supplemental.

You also had five C-130s in the supplemental request. Have we lost any C-130s? Have we lost any C-130s in the last year?

Mr. ENGLAND. I believe we have lost, but we have also been using them at a much higher rate. So, again, this is the accelerated depreciation. However, this falls in the same category. Basically, other than the helicopters and UAVs, all of the fixed-wing airplanes we are now looking to move out and reprioritize what is going to be new in the 2007 supplemental.

Mr. RYAN. I would encourage you to do that because we are looking at what should really be on the base side of the budget and what ought to be in the supplemental to really measure the war costs, and maybe our line of definition is a little different than yours, but I would hope we err on the side of, if it looks like it ought to be in the base, it ought to stay in the base and not in the supplemental.

Mr. ENGLAND. But help me here, Mr. Ryan, because what happens is, when we go to war, I mean we fly those C-130s maybe 10 times the hours that we would in peacetime. So, at the end of the war, we have a whole lot of C-130s that are now near the end of life that need to be replaced because of the war, so they really are war costs, and again, they are costs that need to be recapitalized at some point, so—

Mr. RYAN. I understand that, and I know with BRAC you have got more coming in. Heck, you have got a bunch coming from Milwaukee, you know, in the hope that you are going to use them that are from the 1980s. You know, we flew on 1963 vintage C-130s 10 days ago in Baghdad, so we know you are using old stuff, but the point is that that is something, from my perspective, that is really base spending. If a Humvee or a Stryker gets, you know, hit by an IED, that has got to be replaced in the supplemental. That is totally legitimate. If a 1963 C-130 is getting worn down because it is flying more, you know, I would think that that is something that you could better prepare for in the base than in an emergency supplemental, and knowing that you have more C-130s coming into your pipeline because of the way the BRAC is working, I would just encourage you to take a look at maybe pushing some of that stuff back into the base budget. Especially if we are going to come up with more money for the surge, hopefully that can be offset with some of these other things that you have in the supplemental.

I just simply want to put that out there for you because it is much easier to pass a supplemental here in the House if it is really truly supplemental, if it is truly emergency spending for the war and not perceived as base spending irrespective of a very legitimate principle you just articulated, but I just wonder sometimes.

I wanted to go on to one more thing because I want to stick to 5 because I know a lot of guys here have to ask questions and women as well. I did not mean it in that way there. Walter Reed.

Chairman SPRATT. Do you want to restate that?

Mr. RYAN. Yes.

A lot of members—excuse me. I saw Betty over there. A lot of members have questions.

Walter Reed. Look, this is on the top of everybody's minds. We have seen the appalling cases on television. I think just about every one of us has probably gone up there ourselves. You know, I go to the Malone House and the hospital, and we have seen good quality care, and we have gotten reports from constituents, but we have also seen just these appalling reports.

Please tell us what exactly is being done now, and where are you on all of this? We have seen a lot of changes in the last week. Where are we?

Mr. ENGLAND. Mr. Ryan, I will tell you. I mean, obviously, the simple things, cleaning up rooms and fixing rooms and all that, that is straightforward. It probably has been done. The question is really more fundamental than that, and that is specifically how do we deal with outpatients, and are we doing that adequately. I think the conclusion is—and it is obvious we are not doing that adequately. I mean it is unacceptable. The Secretary said that. You know how the Secretary feels about holding people accountable. So that is unacceptable and will be fixed, and both the Secretary, as I commented, and the President and within the services all have independent teams now looking at this, so whatever issues they uncover, I mean, we will fix. We will fund. We will fix because it is unacceptable. We want the absolute best care for our men and women who serve and their families. So I mean there is work to be done in this regard to find out, you know, exactly how deep this problem goes, but however deep it goes it will be fixed. I mean there is no question about that. We will do whatever is required and are committed to do it from the President down into the Department, into the services themselves. So we will do whatever is necessary and take those steps and do it quickly.

Mr. RYAN. Well, I have got several other questions, but I am going to yield just in the interest of time to let the other members ask. Thank you.

Chairman SPRATT. Mr. Cooper.

Mr. COOPER. Thank you, Mr. Chairman.

Mr. Secretary, I was glad to hear you just say that you and the Pentagon will do whatever is required to fix the problem. My guess is that is going to require you to reverse some of your prior testimony today because what we heard at Walter Reed yesterday was that due to the Base Closing Initiative Walter Reed is about to be shut down, even the fine hospital, the inpatient facility, that no one has questioned the care of, and that patients will be transferred to a larger, new facility somewhere on the Bethesda Naval Hospital campus, and that all sounds fine in theory, although General Kiley said that he had recommended against the closure. He warned us it would cost billions of dollars; he did not know where the money was going to come from, and I hate to think that we are going to be asking veterans to sacrifice a known and excellent facility in favor of something that is unknown, unbuilt and, as far as we know, unfunded.

The disconnect is this. You told Mr. Spratt, our chairman, that the Pentagon and the administration still refuse to estimate war budgets in the outyears. You are fine estimating a base budget, but

you want to be precise and you do not know what wars will cost. So even though we are 5 or 6 years into this one, you refuse to plan for the outyears.

Well, how are we going to be planning for a new veterans hospital for the casualties of war 2, 4, 6, 8, 10 years hence unless you have some estimate of the casualty flow and their needs? Because an elaborate amount of planning is involved, and if the Defense Department refuses to plan and disclose those numbers to us, then you force agencies like the Congressional Budget Office and others to come up with their own estimates, and they are not the Pentagon—you presumably know better than we do—and in order to make sure that our veterans are cared for, that our troops are cared for, we have to have some sort of outyear estimates of war costs, and yet judging from the President's budget, a couple years from now everything is over and there is no more war even though the President himself has called this the long war.

You know, I think our job is to come up with a 5-year budget, and we are not even being supplied with 5-year war numbers by the Pentagon. So we have to solve this disconnect if only for the sake of the troops.

Mr. ENGLAND. A comment first about the BRAC.

Mr. Cooper, the BRAC money is in the budget, and the plan, which had basically all of the support, I believe, in the Pentagon, was the military was to build a new hospital at Bethesda, which is very nearby, but of course—you know, I mean Walter Reed is an old building. So the objective was to build another facility attached, to refurbish and rebuild a lot of new physical plants at Bethesda, and at Bethesda we also have the medical school where all of our doctors train, and NIH is right across the street where they spend tens of billions of dollars in medical research. The whole objective was to have a world class, one world class facility for all of our men and women who need medical care. So rather than have two facilities, each one partially used and spread out, it is to have one world class facility in terms of medical research and tie it in with NIH and everything we could.

So that was the objective, and the plan is that that would be transitioned in 2011, so we would actually start building the facility, you know, as part of this planning process. I mean it all has to be finished by 2011 in BRAC, but the funding is in there to do that, and so all of that planning is in place, and that is how we would proceed, and I understand people are going to take a look at that again, but the rationale I think, at the time at least, was sound.

Mr. COOPER. What is the casualty flow estimate for 2009, 2010, 2011, and 2012?

Walter Reed today is currently overcrowded. It is not a half-empty facility. We need to know what the Pentagon's plan is for the long war, and you should share that with this committee and the American people. What is the casualty flow in those outyears that you are expecting to be able to serve at these hospitals?

Mr. ENGLAND. Okay. I do not have that, but I will give you that, which is the basis of the new facility that would be built at the Bethesda location. Where we now have the Bethesda Naval Hospital, that would be the National Walter Reed. It would be the Walter

Reed National Military Hospital. Again, I will get you the specifics, but a lot of work went into that for at least a year's work to prepare for that and to make sure that we had, you know, the right approach. But again, I mean, based on recent events, all of that will be looked at again, but it was a sound basis in terms of those decisions.

[The information follows:]

The planning to satisfy the base realignment and closure requirement to build new medical facilities in the national capital region included an analysis of potential requirements for bed capacity, using historical numbers, an understanding of the capacity of the Military Health System in total, and a surge capacity factor. These determinations show that the proposed Walter Reed National Medical Center at Bethesda and the new facility at Fort Belvoir will meet the requirements for the patient population in the national capital region.

From a planning perspective, we do not project casualty flow data in the fashion implied by the question. Instead, we use Service-provided casualty rates to generate future medical planning requirements within operational scenarios. Wartime medical force capabilities are determined using the Medical Analysis Tool and compared to the current force structure to identify capability requirements.

Force size, time, scenario, posture, medical threat, and medical planning factors are entered into the casualty generator model (currently the Joint Integrated Casualty Model) which produces population at risk, time, unit locations, and casualty (battle and non-battle) data that is then provided to the Assistant Secretary for Health Affairs for use. Alternatively, output from the Analytic Agenda can be provided for studies focused more in the near term. The Services then validate the analytical results/models.

Mr. COOPER. I see that my time has expired, Mr. Chairman.

Chairman SPRATT. Thank you, Mr. Cooper.

Mr. Barrett.

Mr. BARRETT. Thank you, Mr. Chairman.

Secretaries and Admiral, thank you for being here today. Let us change the subject just a little bit.

I know in the current budget there is an increase of troop strength by about 92,000, Mr. Secretary. I have had some concerns over the years of whether we had enough active duty soldiers, sailors, airmen. We are relying more and more on the National Guard and Army Reserve and all of our reservists.

Is this number, the 92,000, enough? I know there is news about the possibility of funding another Stryker Division in the National Guard. Can you comment on both of these two areas?

Mr. ENGLAND. Well, I mean, again, Mr. Barrett, I guess events will dictate if it is enough, but based on the projection today in terms of brigade combat teams and based on the best estimate of our combatant commanders and what they foresee for the future, the 92,000 appears to be the right number. I mean that is how we got to that number. There are also some increases, also small, for the National Guard and the Reserves—the Army, National Guard and Reserves. I do not see that we have a problem, frankly, neither with the Air Force or Navy. The Navy has actually come down in manpower. The Air Force is planning to come down in manpower, and of course the Air Force Reserve—or Guard, I guess. It is Guard—is an integral part of the service itself. I mean they fly regularly as part of the Air Force itself.

So I will be happy to open this up to the Admiral because, again, it really is a military decision in terms of sizing, but all of the work last year led to that. We had various options in terms of sizing. We

finally ended up with the 92,000 total growth, the Army and Marine Corps combined.

Admiral GIAMBASTIANI. From the overall numbers, as the Deputy has stated and as you have mentioned, it is 82,065 for the Army over a period of about 5 years, 27,000 for the U.S. Marine Corps over a period of about 5 years, but what also exists inside this is an increase in our Special Operations Forces. For example, the President's budget for 2008 has about 5,800 within that 92,000 that will be an increase in Special Forces, and with the type of conflict we are seeing today and that we could project out into the future, growth in Special Forces/irregular warfare is very important.

So what I would say to you is these are our best estimates. I think both the Commandant of the Marine Corps and the Chief of Staff of the Army are comfortable with this. Both the chairman and I are comfortable that this is about right and that, within that number, having some of these specialty units created is very important. So there is movement not only on the top line but on what is inside it.

Mr. BARRETT. Okay. Let us hold on the Stryker question. Let us get to a program that is important to South Carolina and to the Nation, the MOX Program, which is taking some of this weapons grade plutonium and taking it off the market and turning it into fuel and mobilizing it.

Where are we, Mr. Secretary? I know that we have pushed it from the South Carolina delegation, the Georgia delegation. We are getting some pushback in the House. Do you have any idea whether the Department of Defense is involved in working with this MOX Program at all?

Mr. ENGLAND. Mr. Barrett, it does not sound familiar. It just does not ring a bell with me, so I will have to look into it. Maybe it is an energy program. I am just not sure. So I will have to answer back to you. I am just not knowledgeable of the program, sir.

Mr. BARRETT. Okay. I know it is primarily done by the DOE, but there has been some involvement with the Department of Defense, and if we could get some push from you guys on this program, that would be fantastic. If you could get back with me on that, that would be great.

Mr. ENGLAND. We will get back with you.

[The information follows:]

The Mixed-Oxide (MOX) program is a Department of Energy program, but the Department of Defense maintains an active interest in the strategic material reserve, which includes weapons grade plutonium, the feedstock for the MOX program. DOD and DOE work together via the Nuclear Weapons Council (NWC) to assure inter-agency agreement on the sustainment and disposition of the reserve. Material that is in excess of the strategic reserve can be jointly released and would be available for the MOX program.

Mr. BARRETT. Okay. One last, quick question. I do not have a lot of time.

Equipment. I know we are chewing it up left and right. Some of it is being destroyed. Some of it is just getting flat worn out. Are we keeping up with the equipment replacement, making sure that what we have got is up and running and all of that good stuff?

Mr. ENGLAND. We are now, although I have to tell you, Mr. Barrett, that we fell behind because we did not have any substantial money in the supplemental for the reset until the 2005 budget. So

we were fighting the war, and we did not have significant funds, maybe \$5 million or so, and then we started putting substantial funds in in 2005. So, at that point, the result was we ended up with damaged equipment sitting at the depot doors but not enough money to put them through the depots. Now, since then, frankly, we have asked for—and the Congress has been very supportive, and as Tina said, I believe that total now is—what?—\$63 billion, Tina, total?

Ms. JONAS. Yes. We have invested \$63 billion so far in addition to what we are requesting now.

Mr. ENGLAND. So now a lot of money has flowed, and so the equipment is now in the system and flowing out. That has left some shortages while it flows out the back end of the depots in terms of the refurbishment, but I believe the funding is in place now. You know, the organization is in place. It is just a question of pushing that equipment through the depots.

Mr. BARRETT. Fantastic.

Thank you, Mr. Chairman.

Chairman SPRATT. Thank you, Mr. Barrett.

Mr. Becerra is not here.

Mr. Doggett.

Mr. DOGGETT. Thank you for your testimony.

While the number of American troops in Iraq today is about 139,000 and escalating, the number of troops from other countries, I believe, is about 14,000 and shrinking. The British have, of course, announced that they are beginning a phased withdrawal.

What is the best estimate that you have of the number of troops from other countries that will be deployed in Iraq at the end of this year?

Admiral GIAMBASTIANI. If I could, Congressman, I would just say that that number that you are quoting is fairly accurate. However, the trend actually is now going to go back up. We see this go up and down. It has been going down for a period of time in small numbers, but the Georgia government has decided to—this is not the State of Georgia but Georgia, the country. It has decided to put a brigade combat team into Iraq, so this will be—I do not know exactly the size of their brigade, but it is probably somewhere between 3,000 and 4,000 people, and that will be a big addition, if you will, to come into Iraq. There are some other countries that we typically do not talk about—they have asked us not to talk about them publicly—that contribute to this operation, and I would say that those numbers are not counted for. They are small, but they are in there.

Mr. DOGGETT. So what is the best estimate of the number of troops from other countries that will be there at your end?

Admiral GIAMBASTIANI. I will have to give you the best record. I looked at—the number you quoted is about accurate. If we take a snapshot today, I can give you, in a classified setting, where we think we are going to go here, at least in the short term, in the next few months.

There is no unclassified information about—

Admiral GIAMBASTIANI. There is some classified information. I can provide you that also.

Mr. DOGGETT. Okay. Can you just give me the best estimate, unclassified, of what the number will be at the end of the year?

Admiral GIAMBASTIANI. I don't have it here. I will get it for the record for you.

Mr. DOGGETT. Okay. Well, if you are going to submit it hereafter then, would you do it for the end of the year and for the end of the fiscal year, September 30 of next year?

Admiral GIAMBASTIANI. If I could, because each of these governments has their own Parliaments, their own Congress.

Mr. DOGGETT. I am not even asking you to identify by country.

Admiral GIAMBASTIANI. We will get you the best estimate we can by the end of the year.

Mr. DOGGETT. And for the end of the fiscal year as well, two numbers.

Admiral GIAMBASTIANI. Yes, sir.

[The information follows:]

[DELETED]

Mr. DOGGETT. But over the short term, you are able to say that you think that the country of Georgia will basically substitute for the reduction the British are making?

Admiral GIAMBASTIANI. I wouldn't say they did it as a result of what the British are doing. They have decided to bring a brigade forward, and the British are taking down about 1,600 of 7,000-plus. As you know, they are going to move 1,400 or 1,500 of them to Afghanistan, and they have announced that publicly, and the Georgia Government will about double, I would estimate right now, based on the size of the brigade, about double what the British have taken down.

Mr. DOGGETT. There are reports in several papers today that the Department plans to ask for another supplemental. Do I gather that that is inaccurate and that you will simply reprogram moneys to pay for these support troops for other purposes?

Mr. ENGLAND. Yes, sir, that is our best estimate.

Mr. DOGGETT. Your best estimate is that we have seen the last supplemental for Iraq for this year?

Mr. ENGLAND. That is my best estimate. Yes, sir.

Mr. DOGGETT. And you mentioned the fact that there is no money programmed for the escalation next year and said that was because the Secretary has said that you will know by this summer if this escalation plan is working.

Mr. ENGLAND. That is correct, sir.

Mr. DOGGETT. And is there already underway a plan for what to do if it does not? I know there are no failures in Iraq, but if it has to have some adjustment, is there an adjustment plan already underway?

Mr. ENGLAND. Could you repeat the question for the admiral?

Mr. DOGGETT. Yes, sir. You say you will know if it works by the middle of the summer—or by the summer, to be more precise. Do you have underway a plan in case it does not meet your expectations?

Mr. ENGLAND. Sir, let me answer first and then you can fill in if you can. Sir, I will tell you the plan at the Department of Defense is to execute this and execute it to a satisfactory conclusion,

which is why we have no money going forward because our expectation is it will work.

Now the question is: Is there an alternative? There is none I know of, but let me ask Admiral Giambastiani if he knows of any other approach.

Admiral GIAMBASTIANI. What I will tell you is that a commander always has a plan. They put together what we call branches and sequels. These are alternate routes if something happens, which way do you move? When conditions change, you move in a different direction to respond to those types of conditions, and I expect that General Petraeus and his staff are doing those types of things right now.

Mr. DOGGETT. Have you found the plan—is there any plan that would cost out withdrawal of troops, such as Mr. Allen asked you about at the last hearing? He asked for you to come back and tell us about what the cost of withdrawal of troops would be.

Mr. ENGLAND. There is no effort underway to do that, Congressman. There is no effort underway to plan for a withdrawal from Iraq. We have no such effort underway in the Department of Defense.

Mr. DOGGETT. So you don't expect to be able to fulfill his request?

Mr. ENGLAND. I don't expect to be able to fulfill his request.

Mr. DOGGETT. Thank you.

Chairman SPRATT. Mr. Lungren, I believe.

Mr. LUNGREN. Thank you very much, Mr. Chairman. Maybe I am the only one here who thinks that the amount of money we are spending on our national defense is insufficient for the requirements of the threat that is out there. But I recall being here in the last 2 years of the Carter administration when we reached, I think, the lowest point in GDP spending for national defense in modern history at that time, and we were required to do the Reagan buildup. And yet I look at the numbers I have got before me, and we are far below where we were during the Carter administration before we began the buildup at 4 percent GDP.

When the figures I have in your statement, Mr. Secretary, are that we are spending about 4 percent GDP, does that include the supplemental request?

Mr. ENGLAND. Yes, sir, it does.

Mr. LUNGREN. One of my concerns is the maintenance of an all-volunteer force, which in some ways has to sustain itself by allowing for our consideration of our greatest asset, as you say, Mr. Secretary, our people. In order for us to keep our recruiting and our retention goals, it seems to me we not only must equip them with the best equipment and you spend a lot of time talking about the technology side of things, which I think, frankly, gives us the edge, but do we spend as much attention in preparing the budget for our people? And what I mean by that is how can we possibly allow something to happen as we have seen at Walter Reed?

I watched the testimony yesterday, and I saw two Army generals take responsibility, and I appreciate them taking responsibility. But it is after the fact. It is like when I used to convict guys and send them to prison, and they found God after they were facing prison. And I believe in conversion, but I would have rather had them find God before they were facing a jail cell.

Does this budget have as much concern for the health and welfare of our troops as it does for technology? I mean, do you plan as much for that, for modernization and recapitalization of our warfighting capability? I am really—I am just at a loss. I have been out there talking to my constituents about how we would never, ever let our troops down. And I have been out there to Walter Reed, and I guess I was shown the good side of Walter Reed. But I, for the life of me, don't know how I can answer that question when I go home and have my next town hall meeting. Because you have come here and you have talked about how we do war planning, how we do budgeteering, how we go forward, and I believe all that. DOD has the most impressive mechanism for budget going forward of any of the agencies and departments of government that I have seen, absolutely.

So how can we have this fall through the cracks with our troops? And I don't think we can wait 5 months. I mean, I have heard we are going to have a commission, and I understand Senator Dole and Donna Shalala are going to be the two cochairs of that commission, but I can't go home to my constituents and say, in 5 months we will have the answers for you.

What are the answers now? And what can we do now? And if we can reprogram money for these other things, why can't we reprogram money in the budget right now to fix the problem, so that if I have a constituent call me and say, I am getting the runaround, and they are talking about paperwork, and I can't go to this Army hospital, how can I tell them that within 6 weeks or within a month we are going to see real change? What do I say?

And I address that both to you, Admiral, and Mr. Secretary.

Mr. ENGLAND. We are going to do everything we know to do. So every single thing identified will be fixed immediately. Everything. We are putting money, we are moving money right now in the supplemental to have money available to handle whatever may have to be done at Walter Reed near term. So we are doing that. We are physically right now working that issue, and reprioritizing within the budget so we will immediately have money available to deal with any issues at Walter Reed. So we won't wait.

My only comment was, depending on what they find in terms of longer-term funding, we may need to make changes, obviously, depending on the extent of the findings. But in the meantime, anything that is found will be fixed. I would say that you are embarrassed, as is everyone else in DOD—

Mr. LUNGREN. I am not worried about being embarrassed. I am worried about these guys who are out there, the men and women who we have promised and now it looks like we have failed. I just want to find out from you, and I would like to find out from the admiral how much time the Joint Chiefs of Staff spend on worrying about this issue.

Because I mean, another question I would have, even though my time is up, is why do I hear from veterans and why do I hear from folks who say Bethesda is far superior to Walter Reed? And I have heard that for years and I basically thought it was just Navy guys talking over Army guys, but now it looks like it is true.

So, Admiral, how much time do the Joint Chiefs of Staff spend looking at this? And this is a priority. And what can we say to our

constituents is going to be done within the next couple weeks—not with a commission, God bless the commission—but I have been around here long enough to know what commissions do and how long they take. It is our responsibility as Members of Congress, and your responsibility, all of us together, to fix this as soon as possible.

Admiral GIAMBASTIANI. Well, first of all, let me say as a member of any service, not just as a member of the Joint Chiefs of Staff, this situation is unacceptable. You know that already, we know that. But let me just say, you have heard repeatedly, I did a press conference after visiting Walter Reed right after the story broke with Secretary Gates. He said at that time, I continue to say, we continue to say, that this situation is unacceptable. But it is a leadership failure, and I think we need to go a little bit below what that means.

I have learned over many many years as a military officer that you get what you inspect, not what you expect. I learned that over 30 years ago. And what I would say to you is this fundamental lack of leadership up and down the chain here is, frankly, getting in and delving into problems.

Now, as a member of the Joint Chiefs, but also as a senior military officer, I and my wife spend a substantial amount of time, like the other chiefs do, visiting with these wounded. I have done it four or five times within the last 2 months.

I was just, for example, at a dinner on Friday night, and we encountered a problem with a spouse who is having difficulty finding temporary housing for her child and herself. And her husband could not speak with us because he was heavily medicated at this dinner. In fact, he was sleeping. And we are currently working with General Cody and the Army staff to find them a location. That is just the real-world example.

These types of things go on all the time where we go out and look for problems. What has been missed here is the systemic problem of taking care of outpatients that have moved from the phenomenal inpatient care that they get at all of our facilities. We had insufficient caseworkers assigned here. General Cody has testified to this, and has talked to me and I have talked to him personally about it. The caseworker loads are unacceptable when there are 1 to 125. There is no way, no matter how good the caseworker is, they can handle 125 cases. It is just not possible. So they have been working to reduce that to about 1 in 25 or 1 in 30. That is one example.

Another one is who, in fact, does these simple inspections? I have been doing barracks inspections through my entire military life, and I just simply don't understand how we could have a failure of leadership to do those types of things.

So these are the things that us senior folks are talking about. Why we missed these is unacceptable. As the deputy said to all of us, it is embarrassing. It really is, because that is not the way we were brought up.

So where did we fail within the chain of command? So many of these are not resource problems. Frankly, they are leadership problems. And that is what I want to tell you as a military officer. That is why we aren't happy about the situation. We expected—I mean, I have been dealing with the wounded for a long time. We do find problems all the time, and we do try to take care of them with the

appropriate staffs. We didn't have the right ombudsman system set up. It is a very confusing maze of bureaucracy for some of these people. All they need is a single number or a single person to talk to and it makes their life much easier so we can route the problems in the right way.

Chairman SPRATT. Thank you, Mr. Lungren. Mr. Blumenauer.

Mr. BLUMENAUER. Thank you, Mr. Chairman. I would just say I share Mr. Lungren's frustration, but I would like to focus, if I could, on two items here. One, there was a reference I believe, Mr. Secretary, to the expense associated with an all-volunteer Army, military; that it is more expensive and it distorts slightly some of the cost comparisons.

I guess my question—and I don't expect that you would have it right now, but I would like to have supplied some analysis about how much more expensive is the volunteer Army, particularly—and if you can parse out how much of that expense is because we have weakened our standards, we are bringing in less qualified people, we are forcing out qualified people because of their sexual orientation. We are having to pay higher benefits to meet our recruiting, the whole series of things that are associated with that.

I wonder if you could for me provide an answer of how much is just the all-volunteer force that we had before, and the extra costs that are associated with the recruiting and retention problems now that have resulted in the things that I talked about.

My second question was touched on by the Chairman earlier when he referenced what is probably the biggest threat that we face, the weapons of mass destruction getting into a terrorist network. I think we all agree that that is the single most terrifying prospect that has the potential of inflicting more damage on this country. In fact, I think it was President Bush who said a couple years ago that the biggest threat facing this country is weapons of mass destruction in the hands of a terrorist network.

Yet the budget that has been given to us finds over \$4.5 billion for F-22 Stealth fighters, sort of Cold War weapons. It finds \$3 billion for the Navy DDG 1000 Stealth destroyer, but cannot find enough money to maintain even the current level, which is only—I think it is only \$372 million that has been cut 6.5 percent; \$24 million for the cooperative threat reduction.

What thinking goes into investing in Cold War weaponry of billions and billions of dollars and shortchanges the cooperative threat reduction, cutting it by \$24 million?

Mr. ENGLAND. So the first question dealing with the—

Mr. BLUMENAUER. I would be happy to take something in writing.

Mr. ENGLAND. Well, there is a GAO report, Congressman, it came out last year, on the costs of the all-volunteer military. It serves a whole analysis which is on the record; and the average cost, all that is included. And we have some supplemental data if you need that. But they undertook a comprehensive study, and so that is all document available. We will make sure you get that report, and whatever other comments we have on the report.

Mr. BLUMENAUER. Mr. Secretary, the extra costs associated by declining standards, by increased benefits, the changes that have

taken place because of the stresses on the military in the last couple years, is that in that report?

Mr. ENGLAND. No. But I don't believe there is a cost there. We don't have declining standards. I believe that that is not appropriate.

Mr. BLUMENAUER. Is that a myth that we are bringing in people with felony records that we previously would have denied; that there are people that don't have the training skills that previously would not have been accepted?

Mr. ENGLAND. No. The people all meet our standards. This is a question about do people get a second chance. We have a whole program, by the way, our National Youth Get Challenged program where, across the country, I mean, we work—we bring 70,000, so far, young people who have had problems in the past; we bring them in, help them get education, help them get—a lot of them come up, not a lot, but a number of of them go into the military, they get jobs, we rehabilitate. So certainly we don't have a policy where because people have had some problem in the past, they are barred from the military. I mean, if they meet our standards, and we give them an opportunity, the military has always been helpful to people who have had problems in the past, but we have not changed our standards but we will address that with you. But your other question——

Mr. BLUMENAUER. With all due respect, in my district I have watched you recruit two autistic kids into the forces. And to suggest that there hasn't been a reduction in standards and there hasn't been pressure to drag people in because of declining enrollment, I beg to differ.

But to the second, about the threat reduction, I see my time's——

Mr. ENGLAND. Can I ask the admiral just to make a comment first?

Admiral GIAMBASTIANI. I would like to tell you, Congressman, that I served in Vietnam and we had wonderful people serving at that time. But I have lived in this military, and as soon as I came back to Washington in 1975, I went into the All-Volunteer Force Recruiting Command. This military today has much higher standards than we have ever had since I have come into the service. I have been wearing my uniform for 41 years, and I have some experience with this. I have sat on waiver boards back in 1975, 1976, and 1977. I have looked at a lot of kids. We issue a lot of waivers because we want to look at young kids who use marijuana, for example, one time and we want to talk to them about drug usage. We want to talk to them about misdemeanors.

There are some people and there have always been people in the last 30 years or so that we have brought in with felonies. But we look very carefully at them. We have initiated Second Chance programs.

Mr. BLUMENAUER. With all due respect, I said that I would request this—this is the part that I wanted in writing, because there was a difference, and parse out what the difference is in terms of the pressures in the last 2 years and the changes that have been taking place. Whether you think all of a sudden now we are in-

creasing the rehabilitative efforts altruistically or whether it is the result of failed policies—

Admiral GIAMBASTIANI. I think you have misinterpreted my comment.

Mr. BLUMENAUER. What I am interested in is the costs associated over the last couple of years of the all-volunteer. I had hoped to get in my time a response to the issue that the Chairman had raised earlier about billions and billions for Cold War weapons and we can't fully fund the cooperative threat reduction.

Mr. ENGLAND. I have your answer, sir. Could I answer your question? Last year we had in the Cooperative Threat Reduction program, we funded \$370 million. This year our request is \$248 million. And the reason there is a reduction is because—and the reason it is a reduction is because they have completed—the chemical weapons destruction facility in Russia has completed that job. So we were funding them to destroy chemical weapons. They completed that task, and based on that cost no longer being there, it came down to budget this year. So that was based on the completion of a program in Russia.

Mr. BLUMENAUER. I note that we have had the bipartisan panel chaired by former Senate Majority Leader Howard Baker, and former White House Counsel Lloyd Cutler suggested we could spend up to \$30 billion over the next 10 years. And so it seems a little ironic that we have this one little piece that has been taken care of and that there aren't larger, more important threats to deal with.

And I would, Mr. Chairman, hope that we could maybe seek a little sense of—if the Department of Defense thinks that this problem has been solved, that there isn't billions and billions of dollars' worth of problems that could be dealt with.

I appreciate your answer about why you dropped that out, but it begs the question about a vast problem worldwide that appears to be being shortchanged.

Thank you for your courtesy.

Chairman SPRATT. Mr. Becerra.

Mr. BECERRA. Thank you, Mr. Chairman. Thank you very much, Mr. Secretary, for being with us. I know some of these issues have been covered, so I am going to try to go through some of this quickly.

First, just to be on the record, I want to express my outrage and distress at what we are learning about the treatment of some of our Active Duty personnel who have been injured and many of our veterans who seem to not be receiving the highest quality, not just care, but attention that they deserve.

Yesterday I was at Walter Reed to visit one of the service members who is from my—not just my district, but my town of Eagle Rock in Los Angeles, California. And it is disturbing when you hear some of the reports that are out there.

So I am glad to see that the Secretary of Defense is moving forward along with the Secretary of the Army to try to resolve some of these matters. But without using words that are not appropriate here in public, I would say that many of us hope that this gets taken care of as quickly as possible and with whatever money we have, and I think you have indicated that where you need to, you

will reprogram dollars. We need to make sure that happens as quickly as possible.

Mr. ENGLAND. We will do everything and anything necessary, Congressman.

Mr. BECERRA. Appreciate that, Mr. Secretary.

I would like to focus on a couple things. I would like to put up, if I could, chart No. 9, because to me it is distressing to hear that we are having to appropriate another close to \$100 billion for the war in Iraq, and some of it for Afghanistan as well, at a time when we see very little end in sight in terms of what the President continues to propose.

9

Cost of the 1991 Gulf War

Gross Cost	\$61.1 Billion
Less: Allied In-Kind Contributions or Equipment Not Replaced	\$-10.6 Billion
Less: Allied Cash Contributions	\$-48.4 Billion
Net Cost to U.S. Budget	\$2.1 Billion

Source: DoD

And to me, chart No. 9, this chart that you see now, is extremely compelling. This reflects the costs of the Gulf War which George Bush Senior initiated on behalf of this country. And when you take a look at the gross cost of \$61 billion, that right there is minuscule compared to what the costs are today of this war in Iraq and Afghanistan. But when you recognize that, that 1991 Gulf War ended up costing us about \$2 billion to the Treasury because we got reimbursement from some of the countries that didn't necessarily contribute as many troops, and we also were able to get some in-kind contributions as well. By the time you take into account what we got back by our partners, our Coalition partners, our costs to have gotten Saddam Hussein out of Kuwait was a lot less than what we initially paid.

What distresses me and the reason I bring up this chart is we find none of that with this war which George Bush, the son of Senior, has taken us to in Iraq where we can expect to have not just participation by the so-called Coalition partners in the war effort, but certainly in terms of reimbursing us for the yeoman's work that our men and women in uniform are doing when others aren't willing to contribute the forces to do so.







I wish we could say that we are going to have a net cost of \$2 billion for this war in Iraq, but I daresay that that is going to be the case.

When we put up chart No. 10, this will tell you why I am extremely distressed. Not only can we not expect to have moneys reimbursed to us from the work men and women are doing in this war in Iraq—and this may be tough to read because the print is small—but when we are not getting the best use of our dollars for the work that we are doing, then you really have to be distressed. When you see that our men and women on the ground don't have all the equipment that they need, the armor that they need, that their vehicles haven't yet been equipped with the armor they need completely when they are taken out to the field to battle. It is distressing when you read that some of our other projects, which will do nothing today to help our men and women on the ground in Iraq, are over budget by over 100 percent, it has got to make you think, what the heck is going on?

10

Cost Growth in Weapons Programs: GAO

Table 3: Examples of DOD Programs with Reduced Buying Power

Program		Initial estimate	Initial quantity	Latest estimate	Latest quantity	Percent of unit cost increase
Joint Strike Fighter		\$199.8 billion	2,866 aircraft	\$206.3 billion	2,458 aircraft	26.7
Future Combat Systems		\$82.6 billion	15 systems	\$127.5 billion	15 systems	54.4
F-22A Raptor		\$81.1 billion	648 aircraft	\$65.4 billion	181 aircraft	188.7
Evolved Expendable Launch Vehicle		\$15.4 billion	181 vehicles	\$29.0 billion	138 vehicles	137.8
Space Based Infrared System High		\$4.1 billion	5 satellites	\$10.2 billion	3 satellites	315.4
Expeditionary Fighting Vehicle		\$8.1 billion	1,025 vehicles	\$11.1 billion	1,025 vehicles	36.9

Source: GAO analysis of DOD data. Images inserted in that respective order: JSP Program Office, Program Manager, Unit of Action, U.S. Army F-22A System Program Office; (Left) © 2003 Lockheed Martin, (right) © 2003 The Boeing Company; Lockheed Martin Space Systems Company; Defense Dynamics and Control Systems.

Our principal focus should be on our men and women and making sure they are the best-equipped, best-trained and best-protected troops that we have out there. But when I take a look at the fact that the Space Based Infrared System, a project which was supposed to cost \$4 billion is now estimated to cost over \$10 billion; when we were supposed to get five satellites and now we are hoping to get three; and the cost has escalated more than 315 percent—or the future combat systems which was supposed to cost \$82.5 billion now is estimated to cost \$127.5 billion, a 54 percent increase, you go on and on and on and on.

There is not much of a question here because there is not much time for you to try and answer this. I hope what you will all do is go back and discuss with folks at the Pentagon that we seem not to be quite as focused as we should be. We obviously need to have the systems that will protect our people and others in the world and provide them with the freedoms that we so cherish, but not at

300 percent over the initial cost. And we have to figure out ways to do this right, because when you have got soldiers at Walter Reed Hospital who are not getting the medical services that they need, when you have heard in Walter Reed Hospital stories of how rats and vermin are infesting some of the rooms where we have some of our soldiers, and when you hear the fact that some of our soldiers are going into Iraq without all the body armor that they need, it makes you wonder why we are spending 300 percent over cost to some of these systems that are costing tens of billions of dollars.

So I hope you will take that back and know that this Congress is hoping to try to resolve this, to be as supportive as we can of the men and women in uniform without wasting the taxpayer dollar.

I will yield back the time, Mr. Chairman.

Admiral GIAMBASTIANI. If I could, sir, I just want to talk about armor for a moment, because I think it is very important. This is a very good example of where congressional support for funding has helped us tremendously.

Mr. BECERRA. Please, Admiral, go right ahead.

Admiral GIAMBASTIANI. We went into this Operation Iraqi Freedom with under 500 nontanks, armored vehicles that weren't tanks or Bradleys, for example up-armored Humvees, we only had under 500 across the entire military. Today we have 42,000, just to give you an idea. Nobody operates outside of a forward operating base out of their base when they are inside Iraq or Afghanistan without going out with the proper armored vehicles.

Number two, with regard to personal body armor, helmets and the rest, we do not allow people to go outside without the proper equipment, period. And we outfit them properly with all of the right equipment. When they do what we say, we call it going outside of the wire. All of these folks do this. And with your support we have produced hundreds of thousands of sets of this armor that go out there.

I was just in Iraq and Afghanistan about 3-1/2 weeks ago. I went out and took a look at the new types of body armor, for example, that we have got on marines. I looked at a squadron just going out on patrol. They had full-length body armor. They were using new Nomex suits which are fire retardant, and we have got significant orders.

The only thing I would tell you is that we can't get some of this stuff that you all have appropriated money for fast enough to them, but we are producing them as quickly as possible.

I also rode in these latest V-shaped up-armored vehicles. I have done that repeatedly over a number of times at the National Training Center in Iraq. I have gone on improvised explosive device training courses in Iraq and driven these vehicles personally. My point to you is that we don't allow them outside without the appropriate equipment. That is the way we equip them.

Mr. BECERRA. Mr. Chairman, if I could just say thank you to the admiral for his response. I think you would find a very receptive Congress if this is what we saw you telling us that you needed that extra money that you didn't expect because you have to make sure that the troops have the up-armor they need, that they have all the equipment that they need. But when at the same time we see the

massive overruns on some of these other systems defense systems, it makes you cringe, because we know that there are still stories of men and women coming back saying they didn't have everything they needed.

So I appreciate the response. Looking forward to continuing to work with you. But there is a need to have more accountability at the Pentagon, because the men and women, when they follow their orders and they go on the ground, they expect that we will have done the best we can with the dollars we have to make sure that they are prepared.

Admiral GIAMBASTIANI. Yes, sir, that burden falls on us as leaders and managers here to make sure that we have the appropriate accountability. I would just solicit your strong support for this fiscal year 07 supplemental to help us as soon as possible. There are a lot of armored vehicles. There is a lot of armor. There is a lot of equipment in there to equip our troops, and we can use it as quickly as you approve it.

Mr. BECERRA. Thank you.

Chairman SPRATT. Thank you Mr. Becerra. Mr. Tiberi.

Mr. TIBERI. Thank you, Mr. Chairman. I am sorry I was late and I apologize for missing your testimony. I look forward to reviewing it.

I just have one question, Mr. Secretary—thank you for coming today—one I know hasn't been asked, because it deals with a central Ohio issue. I have been working with the Ohio National Guard over a FYDP issue for a new Guard Training Center in central Ohio, in Delaware, Ohio. And the proposed facility was originally on the future year's defense plan for 2011. However, that was originally. However, now it has been pushed back to 2013. It was originally for 2010, been pushed back for 2013.

I know you may not be able to answer the question right now, but this has a huge impact on the Ohio National Guard which is being asked to do more and more in our war on terror. The State of Ohio has appropriated money to share in the cost of the facility. That money now is in jeopardy because of this being pushed back on the FYDP to 2013 and I, with other members of the delegations of the Appropriations Committee and Armed Services Committee tried to work to move it back. But I would hope that the Department of Defense would work with the Army to begin the process of restoring that money, because it is critically important as the Guard is being asked to do more by the Department of Defense.

So I know you may not be able to answer the question now as to why it happened and how we can correct this problem, because it is having an impact on our men and women who serve in the Guard, but I hope that you would get back to me on that particular issue, the Ohio National Guard in Delaware, Ohio.

Mr. ENGLAND. Mr. Tiberi, you are right; I don't have the answer. But you are also right, we will get back with you so we will have somebody—

Mr. TIBERI. Thank you very much, sir. I look forward to working with you.

Mr. ENGLAND. Thank you.

Chairman SPRATT. Ms. Sutton of Ohio.

Ms. SUTTON. Thank you, Mr. Chairman.

Secretary England, I just have several questions and they are sort of—they are all related but yet individual in their own right. We have heard a lot of talk today about the conditions at Walter Reed, and I would just like to add my voice to those that have already been raised here. The problem that seems to be missed, though, in your response, Admiral and Secretary England, is it is not enough to just say that we are going to look at what we need to do and we are going to correct it. The question that my constituents want to understand and I want to understand is how in the world could this have happened, and people in positions such as yours, who are accountable for making sure that these facilities have what they need and are executing their responsibilities, didn't see any red flags or had to wait until the paper broke this story.

Mr. ENGLAND. First of all, let me just say it is not a resource issue. I think the generals have both testified yesterday, and you heard the Secretary, this is a leadership issue. But like the general, however, I mean for 5 years we have been dealing with our veterans and we go out to the hospitals regularly and we meet them at dinner and ballgames and all sorts of things, and it has never come up. It is sort of a strange but it hadn't come up to us. So I didn't know about it. No excuse, but didn't know about it. I guess other people didn't know about it.

So that said, we have a problem. And the systems weren't working right. Now if the systems were working right, we never would have had this problem. It would have been fixed instantly. People at the low level and, like the admiral said, somebody would have inspected and we would have had enough feedback. And I will say this: Over the years, I mean my office and, I think, the admirals, whenever anybody has an issue that comes to us, we fix the issue. And I guess it was always my view that, you know, some people sort of fell through the cracks.

Well, it turns out, I guess, if you look at all this over a period of time, it has probably been enough people that you should have had some indication that there was a systemic problem rather than just random cases. There will always be a random case. So we missed the signals. And I wish we hadn't. We wouldn't be here. We wish we had known this earlier, we could have fixed it. But it is not a resource issue. It is an issue, I think—the admiral said, it was the first time I heard that expression, it is not what you expect, it is what you inspect. So it didn't happen right and people have been held accountable. And the system is being fixed and everything at Walter Reed will be fixed and anyplace else will be fixed.

Ms. SUTTON. With all due respect, I like that phrase too. It is what you inspect, and I think this Congress needs to inspect how this could exist without people knowing about it and addressing it before it broke in the paper.

The second question that I would just kind of like to raise, I was struck by your testimony, Mr. England, about our joint warfighters with what they—let me just read it from the beginning:

The defense budget request before you will provide our joint warfighters with what they need to accomplish our mission of protecting and defending America; our land, our people, and our way of life.

So am I correct in understanding that that is what any war that we are involved in, one of those purposes is served by every war that we are involved in, protecting and defending America, our land, our people and our way of life?

Mr. ENGLAND. So I am not sure, what is the question?

Ms. SUTTON. The question is, are those the three purposes that any war that the United States of America is involved in should be about?

Mr. ENGLAND. Well, it is to protect our citizens, to protect our friends and allies, it is to promote freedom and democracy. I guess I could write a dissertation, but at the core that is what we do. Our job is to protect and defend the country, our citizens, and our friends and allies and to deter and prevent wars in the future. So we try to defer, we try to prevent wars, we try to work cooperatively with countries, and so we have funding in there to work with countries around the world to establish ties with their militaries. So it a broad-based mission. At the core it is to defend the country and our way of life over a long period of time.

Ms. SUTTON. Well, thank you. That is obviously much more expansive than the words on the paper. So I appreciate that. And just following up on that, Secretary England, on July 16, 2006 the DOD comptroller sent a guidance memo to the military services that required that they provide 2007 supplemental estimates by September 1, 2007. And when you received those estimates on September 1, I would be interested in knowing how much those services' supplemental requests totaled, and then I would like to understand why 2 months after those estimates were due to the Office of the Secretary of Defense, why you sent out a guidance memo to the services submitting—asking them to submit war estimates that included requirements for a broader definition, again, of a longer war against terror. What was the purpose of that memorandum as the follow-up to the first request?

Mr. ENGLAND. Okay. So first of all, requests come in from the services, what we call raw requests. It comes to the comptroller and the comptroller vets those. So some things may be in the base budget, some things may have been funded in the past. So we make sure there is no double-counting and all that.

But we would be happy to provide you those numbers. But we make sure that when requests come in, it is not something that is already funded, it is something in another budget, et cetera.

So the comptroller vets all those numbers and typically they change, typically they come down quite dramatically because just maybe fund another bucket and all those things that people making requests didn't know about. So we go through a long vetting process in the comptroller's office, and then the requests I put out later was because we had some very specific requests by our combatant commanders.

And if we go into the base budget for the global war on terror, then, of course, you know we have a long lead time.

So, for example, we did a 2008 budget last year, worked on it during the year. It will be debated this year. It will become available basically next year. So it could be a 2-year delay in terms of actually having funds available. We had some needs that we felt needed to be addressed. It was the global war on terror. So we said

let's address them, because there is something that needed to be address.

That said, as I indicated earlier, we are reprioritizing and those funds will be lower in terms of their priorities. So just like our airplanes, you know, we will likely reprioritize those funds just because they are a lower priority. But the intent was to address the needs identified by our military of things they felt—equipment, whatever they needed to prosecute the war in their part of the world.

Ms. SUTTON. Thank you.

Chairman SPRATT. Mr. Scott.

Mr. SCOTT. Thank you, Mr. Chairman.

Secretary England, I understand the monthly costs, beginning of Iraq 2003, were \$4.4 billion per month; monthly in 2004 was about \$5 billion per month; 2005 was \$6.4; 2006 was \$8 billion; and this year with the increase of about 40 percent, we would assume it is about \$11 billion per month for being in Iraq. Does that sound about right?

Mr. ENGLAND. That is about right. I believe that is correct.

Mr. SCOTT. Is 2008 expected to be more or less?

Mr. ENGLAND. I believe it is less because of the—well, again, based on, quote, the place holder we have in 2008, it is \$143 billion, \$141.7 billion, it is less than the total for this year.

Mr. SCOTT. Okay. Now we don't expect a supplemental in 2008, is that right?

Mr. ENGLAND. So let me be clear because it gets a little bit confusing. We turned in the 08 GWOT at \$141.7 billion, which is an extension of the 2007 again, because we don't know what the events on the ground will be next year.

Mr. SCOTT. Well, we are fighting a war so we don't know. But we don't expect a supplemental in 2008.

Mr. ENGLAND. I would expect that the \$141.7 will be modified either up or down before we actually get to this stage next year, just because we will know more at that point in time.

Mr. SCOTT. Does the budget include sufficient funding to avoid any further delays on CBN 78?

Mr. ENGLAND. Yes. That is in the base budget. My understanding is the Navy has funded that, so there is no further delays. I believe—I will have to go back to the Navy, though, and confirm that, Mr. Scott.

Mr. SCOTT. Is there sufficient funding for maintenance of the ships that have already been built in the budget?

Mr. ENGLAND. Yes. Now I say that "yes" because we increased the O&M accounts in 2008. So the O&M accounts are higher in 2008, so my expectation would be that they are fully funded. Again, I will get the Navy to confirm that for you.

Mr. SCOTT. We have a real tight budget. We are charging veterans additional fees and everything. It is a real tight budget. There is a proposal to move one of the carriers home-ported in Hampton Roads down to Florida at a cost that has been estimated at hundreds of millions of dollars, maybe a billion dollars. Could you consider leaving the ship there in Hampton Roads to save a billion dollars that could go to shipbuilding or other important costs?

Mr. ENGLAND. Mr. Scott, I will have to sort of put my old Secretary of the Navy hat on here and go back to when those decisions were made. When we decided to retire the Kennedy, we still wanted two ports on the east coast and two ports on the west coast we could have our carriers, just for the security aspects of it, so that we didn't have everything in one location. So at least when I was in that position, the rationale and my commitment at that time is that we would move a carrier to Florida so we would continue to have a higher degree of security for our fleet.

Mr. SCOTT. Your chart—you didn't know you were going to be charging veterans to pay for their own health care back then. I mean, you didn't know the budget was going to be as tight. So we will be seeing how that moves along.

On BRAC, is there sufficient money in the budget to clean up Fort Monroe? The costs of that were estimated at hundreds of billions of dollars. And I thought it was an absurd decision to make, but it was made. Is there money in the budget to pay for the clean-up?

Mr. ENGLAND. Mr. Scott, I will have to get back with you.

Mr. SCOTT. As you know, there is a reverter clause, and when you give the property back to the Commonwealth of Virginia, it has got to be cleaned up if you stop using it as a base. So I will look for that answer.

Mr. ENGLAND. We typically do include those costs, but let's confirm it and I will make sure to get back with you.

Mr. SCOTT. I just have a couple seconds. I wanted to get in another question. You are aware of the good services we have in modeling and simulation in the Hampton Roads area. Are you using modeling and simulation to the extent practicable for planning and training?

Mr. ENGLAND. Let me turn it over to the admiral who is more of an expert than I am.

Admiral GIAMBASTIANI. The answer is, what I would say is it is adequate for what we are doing. There are some desires to do more. We are doing a tremendous amount though. And that is what is significant.

As you know, Mr. Scott, from my time down on the Joint Forces Command, the Department has invested heavily in modeling and simulation. We have extended it to training. We are extending it to intelligence surveillance and reconnaissance predictive tools. This is a burgeoning market, and frankly we are going to do more in the future. We are going to continue to do more. It is a growth industry. That is the bottom line.

Mr. SCOTT. Thank you. Thank you, Mr. Chairman.

Chairman SPRATT. Mr. McGovern.

Mr. MCGOVERN. Thank you, Mr. Chairman. I want to thank you for being here once again. I want to associate myself with the comments of some of my colleagues here on the whole Walter Reed issue, and I wasn't going to go down that road with questioning, but after listening to some of your responses, I wanted to make a couple of points.

You know, Admiral and Mr. Secretary, you both have said that this is a leadership problem. Well, if it is a leadership problem, then a hell of a lot more than two people need to be fired, more

than an Army Secretary and more than a two-star general. The fact of the matter is, this is not only a leadership problem, it is a systematic problem, it is an institutional problem. And as The Washington Post pointed out yesterday in their story entitled "It Is Not Just Walter Reed," there are examples of neglect and mistreatment and poor conditions all over this country. And so when you say it is not a resource problem, I don't know how you are going to be able to fix all that you are going to need to fix, because it is widespread, without additional resources.

I mean, we have stories of—you know, we learn about the Walter Reed stories about the mold, mice, and rot in Walter Reed's buildings, but that is not the only place where you have those conditions. We had a woman quoted yesterday, a mother who was horrified when her 21-year-old son was discharged from the Naval Medical Center in San Diego a few months ago and told to report to the outpatient barracks, only to find the room swarming with fruit flies, trash overflowing, syringes on the table.

You have situations where there are not enough nurses, where you have wounded or injured leading the troops, stories from Fort Campbell, Kentucky, talking about yellow signs on doors stating that our barracks had asbestos.

To fix that is going to require millions and millions, if not billions, of dollars if in fact—what really should have been known a long time ago, and I can't believe that the stories haven't trickled up because, you know, this is not a new phenomenon and notwithstanding the fact that the newspapers have kind of broken this story. I mean, it just takes my breath away when I hear you say that you just didn't know about this. And you know, we make a big deal about going before the American people during this time of war and saying, you know, our men and women who are serving, you know, are our first priority. We are going to take care of them not only when they are over there, but when they come home. And you have—again, this is not just about Walter Reed. I mean, this is all across this country.

And so I would say to you, with respect, that it is not just a leadership problem; that it is a systematic problem, that it is an institutional problem, and it is a resource problem. Because when Senator Dole and former Secretary Shalala finished their recommendations, I can bet you that the cost of fixing what needs to be fixed is going to be phenomenal. So with all due respect, I would not say it is not a resource problem, because I think indeed it is going to become one and it is going to cost this country a great deal to be able to fix. If you want to respond, I would appreciate any—

Mr. ENGLAND. I guess we are waiting to see. I don't know if this is a systemic problem. Maybe you are right, Mr. McGovern. I just don't know. I guess when people look at it, we will find out. My comments: It is not a resource problem means that if something needs to be done, funds will be made available. To the best of my knowledge, in the past we have made the funds available that were requested and needed. And so if there is a shortcoming, we will fix it. I mean, it is clear—

Mr. MCGOVERN. Part of what this committee is about is to figure out how much we need to devote to these issues, and so if you are coming before us and saying it is not a resource problem, when in

fact I think we all know it is going to require a substantial amount of money to fix—this is not just Walter Reed.

Mr. ENGLAND. If it needs it, we will do it. It is that simple. If they need money, we will fix it and do it. I don't know the extent until somebody looks at it. But again, it is not a resource issue in terms of people wanting the funds to fix it. I mean if we need funds to fix it, we will do it. It is our highest priority. We will do it. So there is no question we will apply whatever resources we need to this problem. I don't know how widespread it is. I don't know if I arrive at your conclusion, but we will find out and do whatever it takes.

Mr. MCGOVERN. Again, it kind of again stuns me when you, you know—you read and you hear, you know, that there are facilities that have signs up that say, you know, "Stay Away," this is asbestos filled. When you hear stories of soldiers going back and going into situations where the conditions are not even sanitary. I mean, these are our men and women who we are putting in harm's way. And so, you know, we are going to need to make—you are right, we are going to need to come up with the resources. And it is going to add substantially to what we need to do in this Congress, but it also, again, it just never came to our attention, none of these stories ever trickled up to the level where we thought we needed to take action.

I mean it is clear, I mean just read The Washington Post story yesterday, you know, this is a widespread problem. And it is just—again, it takes my breath away when I hear it never got up to our level. Who is everybody talking to? And we also have—the Post talks about, you know, scare tactics used against soldiers who will write sworn statements to assist soldiers and their medical needs. Clearly some of these people are told just to shut up.

So I wasn't going to pursue this line of questioning or make a statement because I know my colleagues did it more eloquently, but this is more than a leadership problem. And if you believe it is a leadership problem, you are going to have to fire a lot more than than two people.

Admiral GIAMBASTIANI. If I could from a military perspective, it is a fundamental leadership problem, and the reason why I will tell you this is that there are root causes for these failures. There are root causes. There are systemic problems that you must go look at. And that is what we are doing now. We can fix certain things immediately, but the question is, why didn't our leadership at the high levels, the mid-grade levels and the lower levels determine that we had a problem here? That is why we will say in general terms, and as I said before, it is much more than just the mantra. It is a leadership problem.

You must look through this entire chain of command to figure out why we weren't addressing these. Let me give you an example—

Mr. MCGOVERN. If that is the assessment, then our current leadership at every level has failed miserably.

Admiral GIAMBASTIANI. We clearly have failed with regard to how we are taking care of our outpatients. There is no doubt about it.

Mr. MCGOVERN. Thank you.

Chairman SPRATT. Mr. Etheridge.

Mr. ETHERIDGE. Thank you, Mr. Chairman.

Mr. Secretary, welcome. Thank you for your service. I appreciate your testimony before this committee and I don't envy your task of defending this administration's budget and record. And I associate myself with the comments that have been made as it relates to our veterans, and I suspect you are going to have a lot of Members visiting a lot of VA hospitals. And I have been to some and a lot needs to be done.

I would like to note that the President's proposed Defense budget of \$622.8 billion is the largest budget that we have had since Japan surrendered in Tokyo Bay, and that has already been talked about this morning. And let me just say that since I have been in Congress, I have voted for every Defense authorization bill, every appropriation bill and every supplemental. So I want that as a part of the record.

But the vast amounts of sums being consumed by the Defense Department is staggering. I say that because—let me just read something for the record—because I think it needs to be on the record—before I ask my question, because the ongoing war in Iraq and other places is driving this troubling budget train.

Four years ago this month, your predecessor testified in front of the Appropriations Committee and he said—and I quote—"The oil reserves for that country," talking about Iraq, "could bring between \$50 and \$100 billion over the course of the next 2 to 3 years. We are dealing with a country that can really finance its own reconstruction and relatively soon." We are dealing with a country that can—excuse me.

Now, you can't be held responsible, and I recognize that, for what your predecessor had to say and I appreciate that. But I would like to note for the record that Iraq is not financing its own reconstruction. Foreign countries like China, Japan, Saudi Arabia, Libya and others are financing the reconstruction and our war in Iraq by buying America's debt. The bill will come due not on this administration's watch, but our grandchildren will be left with this bill. And I think that is a pretty sorry record when we look at it in that regard.

Mr. Secretary, you stated in your testimony that improving the readiness of the force is the number three priority in this budget. I am very concerned about the effective readiness for our troops. I happen to represent Fort Bragg and an awful lot of Guard and Reserve soldiers who have been in Iraq, and I have heard from them the stories of how they did not have body armor and other stuff. We are hearing reports that military equipment is wearing out much too quickly, and much quicker than was anticipated, and reset costs are well beyond what was expected. Our sources report the supplemental process, as we have just heard in the Pentagon, was expanded greatly.

So my question is this: Can you tell us what measures you have in place to maintain the readiness of the force and how the status of those things are measured, how we are measuring it? And secondly, how do you prioritize and determine the needs of such necessities such as simple things like body armor and the things that really protect our troops on the ground, creating the humongous

number of casualties and wounded men and women who are coming home?

Mr. ENGLAND. So, Congressman, we get our requests from the services coming on their budget request. And take armor. I mean we have had a lot of iterations of both body armor and vehicle armor. As the admiral said at the beginning of this war, we had less than 500, quote, armored vehicles; we now have about 43,000. But those 43,000 are iterations of armored vehicles as we have gotten better and better at this.

Mr. ETHERIDGE. Mr. Secretary, how in the world do we send these men and women into harm's way, though, without the equipment that was necessary? I think that is the question the American people would have me ask today.

Mr. ENGLAND. I think if you listen, the Army will tell you they went through this whole nineties, right? I mean the procurement budgets were pretty much savaged, and they started out the beginning of this administration \$56 billion in the hole. So when this war started there was a deficit, a big deficit, and we have been working, I mean, we have been working hard through these supplementals to build up all that equipment so we now have, as the admiral said, 43,000—

Mr. ETHERIDGE. We kept being told we were ready to go, nothing—there would be no problem. We can march in and it would all be over. All of a sudden we are finding out not only do we not have the right equipment but we don't have enough of it.

Mr. ENGLAND. The adversary has a say about how things unfold. So the adversary had a say, and it is a very lethal adversary and they have very lethal weapons, and so we keep going through the iteration of our equipment, which we do all the time, so we can provide the very best we can for our soldiers, so we keep getting them better sets of body armor, we keep getting them better sets of armored vehicles. We are still doing that today.

There are new iterations always coming out to provide them the very latest we can provide them, and those funds are in the supplementals.

Now that said, in the 2008 baseline budget you mention readiness, the budget in the 2008 baseline, there is an increase of \$16.8 billion to improve force readiness. And that is more training in the base budget in addition to what is in the supplemental, that is equipment repairing and replacement, because some of that is in the base also and in intelligence and support. So the 2008 budget, there is significantly more funds in 2008 than there was in 2007. But again, I would iterate the comment that the Vice made, the 2007 supplemental is crucial. There is a lot of money there. It is for equipment and it is for armor and it is all sorts of things. And if the one thing I could encourage would be for the Congress to pass this supplemental as soon as possible, because it is funding that we need to protect our men and women who are doing this fight every day. So I mean that is one way you can be extraordinarily helpful to us is to get this supplemental out as soon as possible, but by the middle of April would be ideal, frankly.

Mr. ETHERIDGE. Thank you Mr. Secretary. Thank you, Mr. Chairman. I just hope in the future we will get numbers that will show us also what the costs, the residue costs are as we talk about

our men and women who are in these VA hospitals and others who are really having problems. Thank you sir.

Chairman SPRATT. Ms. Schwartz is not here. Mr. Bishop of New York.

Mr. BISHOP. Thank you, Mr. Chairman. And thank you, Mr. Secretary, Admiral. A couple of things. First, I certainly want to associate myself with the remarks of all of my colleagues on both sides of the aisle with respect to the outrage at Walter Reed and elsewhere within the medical system. And I guess one of the things that bothers me the most about this—this is really a comment, I am not asking for a response—is with the tens of thousands of people that we have working for the Department of Defense, the tens of thousands of people we have working for the Office of Veterans' Administration, that it took two reporters from the Washington Post to bring this issue to the level of attention that it has received.

Mr. Secretary, you have described it as fixing it as our highest priority. Respectfully, I would say that, if caring for our soldiers as they recover from their wounds were such a high priority, this would have been discovered and acted upon by someone in the employ of Department of Defense. We would not have to rely on two, I would say, courageous reporters for the Washington Post, and I will not ask for a comment. You have commented enough on that.

There was a report released, I think last week or the week before, that suggested that 90 percent of our Guard and Reserve forces were not ready for deployment. Either there was insufficient equipment, insufficient training, and so on. My question is: A, do you accept that number? Do you agree with that number? If you do, what are the plans to rectify that situation given the enormous dependence we now have on Guard and Reserve?

Admiral GIAMBASTIANI. If I could, Mr. Bishop, first of all, as a former Commander of U.S. Joint Forces Command where our National Guard forces report to Joint Forces Command when they come under Title X authority, they must report their readiness. They report their readiness in a classified system. So, to your question about—I think, actually, the estimate was 88 percent, is what it said, were not ready, and what I would tell you is it is the statement that they are not ready that is incorrect, okay?

What I would then tell you is there were references to, I believe—and I did not read all of these articles completely, but there were references to—and I talked with Mr. Panaro, who is the Chairman of this Commission on the National Guard, about this statement. About half of the forces within the National Guard are ready at all times to respond to State emergencies. Now, that was not stated anywhere in this article, and General Blum would testify to that, and he would come up here and tell you—and I confirmed before I came over here today—that in fact about 50 percent of our forces are ready immediately for any type of State emergencies. What the readiness these units report on through the Federal side is their readiness to meet wartime conditions, and their required readiness is to go out and be able to respond to a wartime situation.

So what I would say to you is that the "88 percent" number is correct if you modify it from not ready to that they will respond to

wartime crises with the equipment and the training and the rest of it that they go out to.

Mr. BISHOP. I just want to be clear.

Admiral GIAMBASTIANI. I just want to be sure you understand they are not ready; they are not fully ready equipmentwise.

Mr. BISHOP. I am trying to understand the distinction.

So, in response to the question of what percentage or what proportion of our Guard and Reserve troops are ready to respond to a wartime situation, what is that number?

Admiral GIAMBASTIANI. I have asked the question for our system to give me the exact number, and they have not done that, but let me just explain the reason why I do not have that answer to you.

I talked to General Smith, as a matter of fact this morning, from Joint Forces Command, on it. Our readiness system, once again, on the classified level has C1, C2, C3, and C4, and what I want to read to you is what C3 is. All of our National Guard units are supposed to be units that possess the required resources, and the unit is trained to undertake many but not all portions of the wartime missions for which it is organized or designed, and then there is a level below that of C4. Most of our units for equipment readiness are in the C4; whereas, they are supposed to be at the C3 level, what I just described to you. So, to correct the equipment part of the equation, what we have done is put a huge amount of money—and I would ask the Comptroller to tell you how much. It is in the \$20 billion to \$30 billion range for equipment readiness problems that we have funded over the last series of budgets.

Mr. BISHOP. I am sorry. As to the \$20 billion to \$30 billion number that you are citing, it is in the base budget or is it in each of the supplementals that aggregates to one of your—

Admiral GIAMBASTIANI. It is a combination of all of the above.

Mr. ENGLAND. No. No. I can answer that.

In the 2005 to 2013 budgets, there is \$36 billion for National Guard and Reserve equipment.

Is that right?

Ms. JONAS. That is right. From the fiscal year 2008-2013, about \$22 billion is in the base budget. We have another \$2.7 billion between the 2007 and 2008 GWOT requests for about \$24.6 billion for the Army Guard. We have another \$5.3 billion for the Air Guard. Your total across all three bills is about \$30 billion for 2008 to 2013. What the Deputy quoted was the 2005 number being—

Admiral GIAMBASTIANI. To give you an example, the President's budget for 2008 has \$4.5 billion for Army Guard and Reserve equipment. The 2007 Title IX Appropriations Act had \$3.3 billion. Those are subcomponents of what the Comptroller just gave you.

Mr. BISHOP. Okay. Thank you very much.

Thank you, Mr. Chairman.

Chairman SPRATT. Isn't there another component, and that is the training component, the individual unit training, the joint training component that frequently becomes a deficiency when the unit is shipped out to another theater and simply cannot maintain the training for its basic assignment?

Admiral GIAMBASTIANI. Yes, sir. That is correct. There are certain types of training that somebody may be trained for to do, but they have been redirected from, say, full spectrum warfare to

counterinsurgency. So they train for counterinsurgency, deploy for counterinsurgency, and they may not have the full spectrum side of this. That is correct.

Chairman SPRATT. Thank you, sir.

Ms. Hooley.

Ms. HOOLEY. Thank you, Mr. Chair.

Thank you, Mr. Deputy Secretary, for being here and for your service.

Mr. ENGLAND. Ms. Hooley.

Ms. HOOLEY. As I understand it, the current MEDCOM policy is that all soldiers who mobilize or demobilize at a base are required to go to that base for follow-up care. Because Oregon and a dozen other states have no bases, our Guard troops must remain for weeks at the base they were deployed from for follow-up care, bases that can be hundreds and, in most cases, thousands of miles away from their families and their homes. As a result, Guardsmen frequently deny injuries during their demobilization process to avoid having their deployment extended far away from their homes and their families, taking a chance they can seek treatment later on from the VA.

Let me give you a couple of examples of what happens when these Guard troops request treatment upon demobilization.

Take an SFC with the Oregon Guard, who is on the East Coast, with medical issues. He has a wife and 6 children, and the separation of the deployment has strained their relationship to a breaking point. He has seen his family once in the last 3 months. My question is why wasn't he sent to Fort Lewis, which is much closer—150 miles away. Why can't he use TRICARE to have his injuries looked at and treated at home with a local physician?

Another story involves an Air Force Specialist with a wife and 2 young children, who has seen his young family stateside 3 times in the last 3 months—once because the Army sent him home for convalescent leave and the other 2 times over the holidays because his wife drove she and her children out to the East Coast because they could not fly to see him. Why won't the military structure change to the new reality of an operational Reserve and allow them to be treated closer at home?

An Oregon soldier with no family at home has not seen a medical professional for 3 months because he is waiting for an administrative board to look at whether he is retainable or not. The Army has 90 days to review this before making a decision. All of his personal belongings were left either in Afghanistan or in Oregon. Because the soldier must wait for a van shuttle to get around he purchased another vehicle. Why is he not waiting for a decision, again, at Madigan or Fort Lewis, which is much closer to home?

If 4 out of 10 soldiers in Iraq and Afghanistan are Guard or Reserve, isn't it time for DOD to adjust this MEDCOM policy and make improvements to the demobilization process for Guard members in States like mine that have no military treatment facilities?

I am going to ask a couple other questions, and you can answer them all at the same time.

The Independent Commission on the National Guard and Reserve, a document I am sure you are familiar with, has outlined in their most recent report to Congress a plan to begin to address the

problem with the Guard. Their price tag is \$39 billion. Yet, your plan calls for \$9 billion to address the very same problems. How do you explain the cost difference of this well-respected objective commission in your estimates?

[The information follows:]

The National Guard and Reserve equipping needs received additional funding in the last few years and is projected to continue to receive funds toward equipment shortages.

The Fiscal Year (FY) 2008 President's Budget Request has \$5.7 billion for the Guard and Reserve equipment procurement with \$3.7 billion going to the Army National Guard (ARNG) and \$760 million going to the Air National Guard (ANG). Additionally, the FY 2007 Supplemental Appropriation provided \$1.0 billion specifically for ARNG procurement.

The Department's procurement plan for Guard and Reserve equipment over the Future Years Defense Plan—FY 2008-FY 2013 is \$36.6 billion with \$22 billion for the ARNG and \$5.2 for the ANG.

The next question is I hope that you are looking at governance structure and changes, and I guess what governance structures are you implementing—changes are you implementing now to address the fact that the Guard is now an operational Reserve rather than a strategic Reserve?

Mr. Deputy Secretary, right now, due to equipment not being rightfully transferred back to States, again in my State, Oregon, the Oregon Guard supply unit of trucks, equipment and people is at 44-percent capacity. Our governor is getting ready for and has had flood season. Fire season is coming next. Because of the DOD's policy of not returning what should rightfully be at our State's disposal, my State does not have the equipment or troops it needs to be fully prepared for these likely events. When is this vital equipment going to be returned not only to my State but to other States?

Last, in my understanding that a military standard for helmet liner pads was written which lowered the standard of performance from the performance of the original helmet liner pads in order to provide for competition and get the pads at a lower cost. How much money did you save, and do you really think it is worth it given the number of traumatic head injuries that we are seeing?

Mr. ENGLAND. There are a lot of questions there, Ms. Hooley.

Ms. HOOLEY. Right.

Mr. ENGLAND. I mean, first of all, it would be terrific if I could have your paper just so we could respond to your examples.

Ms. HOOLEY. I would love to have you respond to them.

Mr. ENGLAND. Good. Could you, please? That would be very helpful and particularly your specific cases, so I can get people to look at them and understand it. That would be very helpful. A couple of them, though—so, if you give me that, I will definitely look into it and close the loop with you on that.

As to the governance, you know, we have changed the policy for Reserves and Guard in terms of time so that we have actually changed the 1 in 5 so that it is 12 months deployed and 5 years, basically back, but whatever it is it is a 1 to 5 ratio, so that was announced by the Secretary in terms of the deployment.

As to the equipment, I would like to talk to General Blum about that. My understanding is that the combat equipment is in theater. Obviously, I am not sure what all the specialty is of the Oregon National Guard, but as for the trucks and all of the things they need for a state-type response, my understanding is that the

Guards do have that. I mean the question of readiness is, one, readiness at the State level; the second is readiness for Afghanistan and Iraq, and the third is readiness for accord in an all out war-type thing with—

Ms. HOOLEY. Well, we do not have readiness for any of those.

Mr. ENGLAND. So we need to get with General Blum. We will do that. If you will provide me with that data, I will follow up with General Blum for you and also follow up with the Army with your other specific questions.

[The information follows:]

CARE FOR DEMOBILIZED SOLDIERS AT MTF'S CLOSER TO HOME

Reserve Component Soldiers released from active duty can seek care through TRICARE if they have an approved line of duty (LOD) condition. The unit commander must complete the LOD investigation and provide it to the Military Medical Support Office (MMSO) in Great Lakes, Illinois, or the local Military Treatment Facility (MTF). MMSO can authorize care for LOD-related medical services in the civilian TRICARE network. The local MTF can provide services in the MTF for the LOD condition.

Active or Reserve Component Soldiers assigned to a Warrior Transition Unit may request assignment to the MTF closest to their home or family.

Also, Reserve Component Soldiers who are on medical retention processing orders and assigned to Warrior Transition Units (WTUs) may be referred to a Community Based Health Care Organization (CBHCO) with duty near home.

The specific criteria for assignment into the CBHCO are:

(1) Soldier requires at least 60 days of clinical evaluation, treatment or convalescence.

(2) Soldier has a medical condition(s) that can be reasonably managed by the CBHCO using available TRICARE-approved providers and within TRICARE standards in the Soldier's community.

(3) Soldier has been assessed for mental health and social support status, and has been cleared by a licensed behavioral health provider. Behavioral health clearance does not imply the absence of issues, rather that issues can be safely managed with the available community and family resources. High risk Soldiers or Soldiers with high risk family members are not suitable candidates for remote command and medical management.

The CBHCO program is currently serving approximately 1,300 Soldiers around the country.

Admiral GIAMBASTIANI. If I can, Deputy, I would like to add to one thing, though.

Ms. Hooley, about 85 to 90 percent of the equipment that we are operating on inside Iraq is active component equipment. Some National Guard and Reserve component equipment was brought to theater, about 10 to 15 percent of the total. That is mainly combat gear, bridging gear; in other words, things to go across rivers, small streams and those types of things, specialty gear, but generally, as the Deputy has stated, lots of the trucks and other things—we have brought some of that over, but most of this equipment is active component gear, so that tells you that we had a deficiency in equipment before. We knew that, and that is why we have put this \$30 billion plus into buying more.

Ms. HOOLEY. It would sure be interesting for me to look at or to have you look at whether or not, before somebody becomes a flag officer, they should serve a year with the Guard or Reserve since they have been so important to our operation in this war against terrorists so that there is a better understanding with the military about some of these problems that I have talked about today. I mean the simple thing is, when you are on MEDCOM, that you go back to the base where you are deployed from and not to the one

closest to your home or going to your home and using TRICARE. I mean those are things that I think the Department has to begin to understand and to recognize.

Mr. ENGLAND. Ms. Hooley, if you, again, will provide me with your paper, I will look into each one of those issues, and we will get—first of all, it would be helpful. I mean I appreciate the input. It is helpful input.

Ms. HOOLEY. Okay.

Mr. ENGLAND. So that would be terrific to provide that, and secondly then, we will close the loop and get back with you on it, but I think it would be helpful just to understand that there are a couple more cases that we can have the folks look at—

Ms. HOOLEY. All right. Thank you very much.

Mr. ENGLAND [continuing]. To better understand this issue.

Ms. HOOLEY. Thank you. Thank you for your time.

Mr. ENGLAND. Thank you. It is helpful. I appreciate it. Thank you.

Ms. HOOLEY. Okay.

Chairman SPRATT. Mr. Moore.

Mr. MOORE. Thank you, Mr. Chairman, and Mr. Deputy Secretary, thank you for being here today and the others as well, and I just want to ask a couple of questions here.

As you know, since September of 2001, the United States has spent more than \$500 billion for military operations in Iraq and Afghanistan. The nonpartisan Congressional Research Service estimated in September of 2006 that the Iraq War costs taxpayers almost \$2 billion a week, nearly twice as much in the first year of the conflict, and 20 percent more than the last year. Despite the huge sum of money that is being spent on this conflict in order to provide equipment, in some situations our troops in harm's way are still lacking the protective gear they desperately need. According to an Associated Press story which appeared in the Kansas City Star on January 31 of this year, the Defense Department Inspector General's Office pulled up, roughly, 1,100 service members in Iraq and Afghanistan and found that they were not always adequately equipped for their missions, and I want to read just a portion of this story to you. Again, this is dated January 31 in the Kansas City Star Associated Press.

"Hundreds of U.S. troops in Iraq and Afghanistan have experienced shortages of key protective equipment, including armor vehicles, roadside bomb countermeasures, and communications gear, a Pentagon survey released Tuesday showed. The Defense Department Inspector General's Office pulled up 1,100 service members and found they weren't always adequately equipped for their missions. The troops were interviewed in Iraq and Afghanistan in May and June of 2006. Those surveyed reported shortcomings with the vehicles outfitted with armor, cruiser weapons, which are weapons that take more than one person to handle such as artillery or a large machine gun, electronic countermeasure devices such as equipment designed to foil roadside bombs by interfering with cell phone signals that may be used to detonate them and communications equipment."

Mr. Deputy Secretary, I do not for one minute think that you do not want to provide everything we need to our troops, and I think

you feel exactly as Members of Congress do, that we should do everything we can to protect our troops, but I am very discouraged when I read articles like this.

Mr. ENGLAND. Mr. Moore, I, actually, followed up with the Army on this issue. I can tell you cruiser weapons—I mean we have an enormous number of cruiser weapons. I mean the Army does not understand that comment. We have huge numbers of cruiser weapons.

The electronic countermeasures, without going to classified areas, for the counter-IED, because the threat keeps changing, we keep changing to fit the new threat, but that is like, you know, measures and countermeasures, and that is where we are, and we have, I believe, in the budget this year \$4.8 billion in this counter-IED. But I mean, look, the adversary is good, and we have to adjust to them, and so we are building all kinds of equipment, and they keep moving on and we keep moving on, but I can assure you that gets addressed, but at any given time you are not always going to have the latest equipment because we are constantly developing the latest equipment and fielding it, and there is obviously time to get it out of the factories and into the theater. I mean armor vehicles—as the Admiral said, nobody goes, quote, “outside the wire” without having the right armor vehicles, and we keep improving and buying new versions of that also, so we keep upgrading and at any given time you are absolutely right. I mean nobody has the latest equipment every day because it is just not possible to do. I mean, unless we were to hold things static, then we would, but we do not want to do that, and neither do our men and women in uniform.

So, I mean, there is probably some validity in this, but I think it is a mixture of things. I mean it is not just as clear as that article portrayed. I can assure you that—

Mr. MOORE. This article is based, of course, on a poll of 1,100 troops serving in Afghanistan and Iraq, and that is what they believe, rightly or wrongly. That should be a concern to all of us, I think.

Mr. ENGLAND. Admiral.

Admiral GIAMBASTIANI. If I could, Mr. Moore—

Mr. MOORE. I hate to stop you, but I have got 1 minute left, and I have got another area I want to cover very carefully and at least get this out and give you a chance to respond.

I talked to Secretary Rumsfeld in a small meeting of about 10 or 12 Members of Congress, and Secretary Rumsfeld was there—and this was, I think, a couple of years ago—and I said, “Mr. Secretary, I am very concerned about the stress we are putting, our country is putting, on our Guard and Reserve units. Our active people knew what they signed up for when they signed up. Our Guard and Reserve units have been used in ways, I think, that were never contemplated when most of them signed up. They have been deployed and redeployed twice and sometimes as many as three times now. It is putting incredible stress on families. It is putting incredible stress on job situations back home, and I have tremendous respect for all of our troops and whatever unit they serve in and whatever active Guard or Reserve, but I am very concerned about the devastation I think we may be doing to our Guard

and Reserve units, and I just wonder if we can count on some sort of change of policy or at least a study of this to decide what we need to do in the future.”

Mr. ENGLAND. The Secretary, Mr. Moore, did announce a new policy because of the issues you cite, so recognized issues, and now the policy is, as I commented before, 1 in 5 for every Reserve and National Guard so they can plan, and so the units will be called up as a unit, and they will be 1 in 5 so they know that once they serve, 1 time in, 5 times out, but I also have to tell you it will not happen immediately. I mean that is the long-term policy as we adjust to getting there, but that had been announced by Secretary Gates when he came in office, to provide better stability and better planning by the people who serve and also by their employers.

Mr. MOORE. Thank you, sir.

Admiral GIAMBASTIANI. Mr. Moore, if I could, just to respond to you on the equipment issues—

Mr. MOORE. And I was not trying to cut you off.

Admiral GIAMBASTIANI. I understand, sir.

What I wanted to just mention to you is that I do not know exactly the number of, for example, counter-improvised explosive devices that we had, these jammers, if you will, but it was probably less than 1,000 when we went into Afghanistan and when we went into Iraq.

Today, we have about 28,000, and we are building them as fast as we can produce them with the best software code and also the best hardware capabilities that we can put into them, and we are just rolling them out as quickly as possible with the very substantial help of Congress here. As the Deputy said, we have put \$4.4 billion into this most recent request here for counter-IED stuff. Like armor, we are producing it as fast as we can.

As a commander, when you are in the field and if you do not have a sufficient amount of jammers, for example, you will compensate for that by not operating as many vehicles to do that. So I am sure there is truth to what some of these troops are talking about, and we run these down. There is no doubt about it. Every time the enemy has a vote and they change their tactics or change their weaponry, we will respond also or try to anticipate with new armor, new equipment so that we can do it as quickly as possible, and that is why we have tried to break down a lot of bureaucratic barriers to deliver this stuff with your support here in the Congress.

Thank you.

Mr. MOORE. Thank you, Admiral.

Chairman SPRATT. Ms. Kaptur.

Ms. KAPTUR. Thank you, Mr. Chairman, very much.

Hello, Secretary England, and both of your colleagues.

Mr. ENGLAND. Good morning. Is it still morning?

Ms. KAPTUR. I guess so.

I wanted to thank you for your service, first of all, all of those who are in the room here with you, all of those under your command. We all know you are following orders.

I want to say for the record I do not agree with the orders you are following. I think that the orders by this Commander in Chief were reckless. He miscalculated the enemy, and he miscalculated

and was unprepared for the nature of this invasion, and I use as some of my evidence for that the fact that your supplemental this year is larger than your base budget request. That is another sign to me of total lack of preparation for what our soldiers are facing and what this department is facing in theater. When you come up with a supplemental of 93 point, I think, 4 or 5 and the base budget was \$70 billion and you look at the relationship there—

Mr. ENGLAND. No. No. Ms. Kaptur, you are confused there. The budget last year, the supplemental, the first part of the supplemental, was \$70 billion. This part of the supplemental is \$93 billion. So those two together are supplementals, not the base budget.

Ms. KAPTUR. Yes, but I am talking about the global war on terror, and the point is you are constantly supplementing us. You are not providing the request in the base budget. So the budgeting on this has been very arcane, in my opinion, and I do not remember in my years in Congress ever seeing a budget piecemealed like this, and that shows to me you are trying to tack on every time there is a shortage or you need something out in theater and coming to us with a supplemental, so I totally disagree with this.

I disagree with your statement where you say that we are spending very little on this war because it is only 4 percent of GDP. I do not want to get into this in too much detail, but let me just say that the GDP is an improper number compared to World War II or any other decade when the United States was independent financially. Right now, we are owing so much to the rest of the world we are borrowing to fund this government. We have got a debt of nearly \$9 trillion, and that does not count the debt in the private sector. America is borrowing her way forward. We are not paying these bills, and then we knock a full point off of GDP because of our nearly \$1 trillion trade deficit, and we are watching our currency fall all over the world in relation to other currencies. So the result here at home is stagnant incomes for our families. The middle class is falling backward, and we have extraordinary rises in poverty. So I take exception to what you are saying that this is not a lot of money piled on to the type of GDP that we are experiencing today. Those are not my questions. Those are my statements.

My questions are: I know so many soldiers, and they are so brave, and I have just met with so many of them again over in the Middle East and here. We know victory means one-third military, two-thirds diplomatic, political and economic, and it is that two-thirds that is missing, so we keep pushing it on our soldiers to solve all of the problems over there.

Mr. Secretary, do I have your assurance, of the brigades that are going to be deployed into theater, are they going to—and the ones that will be deployed into urban warfare in Baghdad, will they all be trained at 29 Palms at Fort Ord in California?

Admiral GIAMBASTIANI. I think I should answer that, Ms. Kaptur, and the answer is some will be. The answer is no. Some will be trained by the units from these locations in their home stations. I think you know this from the State of Washington.

Ms. KAPTUR. Well, I wanted to say something about that.

I know a Marine who was trained on a Howitzer. He is going to be deployed in about 3 weeks. He is down at Camp Pendleton. He is not out there in California. They told him he is going into Anbar

Province, and he is going to be doing door-to-door clearance. All right. I do not like that. I think that if we send anybody into that environment they ought to have full training, and so I am going to submit some questions to the record on who we are sending and what they are being trained on. One of my—

Admiral GIAMBASTIANI. Please submit them, ma'am, and we will answer each one of these individual ones, but when we take a Marine or a soldier or a sailor or an airman to do another job—we call that “in lieu of jobs”—we will take somebody from a different area. We train them for that job before we put them into it.

Ms. KAPTUR. Well, I would like to know the difference in training there because this goes right down into the unit, their ability to protect one another, and when you shift somebody's responsibility like that—I can tell you that one of the soldiers who was killed in my district was separated from his unit. He was put in some other responsibility. They have to train in the unit. We have to give them the best training in the country, and I think that we are seeing the kind of shifting down at the unit level that we have seen in the budget.

So my time is running out, but I just want to say we have an Ohio sergeant in the Army who has just been transported to Walter Reed. I visited him out at Landstuhl, and he has a severe spinal cord injury. What I want to ask you, Secretary England, is—and this sort of follows on what Ms. Hooley said. He has to go to a spinal injury center in our country—there are only four of them—for what he has, we are told, for rehab, all right? Now, none of them are located near where he comes from in Ohio or where he is deployed out of, Fort Collins, Colorado, so they give his wife some kind of a ticket or something where she can go visit him wherever he is going to be put, and we do not know where he is going to be put yet, but he also has a mother and father who live in Ohio. Isn't there a way that the Department—I mean, for this young wife—they had only been married for a few months before he was deployed. She is going to have to do all of this. Is there any way that you could handle the travel so that that ticket, if the wife is not there, could be somehow given to the family so that they could have follow-on with this young soldier? He is so terribly injured. This is going to be a long road for this family. Could you consider some type of alteration in the way you are handling this so these families can deal with the reality of the seriousness of these injuries?

Mr. ENGLAND. I believe we do that. I mean we bring whole families in for our militaries. So if you will give me this one case, I will look into it. It would be helpful to deal with the specific case because, I mean, we do bring in parents and family, but if you will give me that particular case, I will look into it personally.

Ms. KAPTUR. All right. Thank you, Mr. Chairman, very much. I do have one question for the record also.

I would like the Department to give to me, since the beginning of the war, every single contract you have signed with Aegis Corporation either directly or through an intermediary. I do not care if it was the Coalition Provisional Authority, whether it was the reconstruction process over there in Iraq, and I want to know the dates, the amounts, who signed the contracts. I want to know who

is being employed and what countries they are from. I will submit a longer question for the record. A-E-G-I-S, out of Britain.

Mr. ENGLAND. A-E-G-I-S?

Ms. KAPTUR. Yes. Every time, not just the reconstruction. I was over in Baghdad, and they had me meet with the company when I was over there, and they were only talking about contracts that were with the reconstruction authority. I want to know those that were signed under the CPA with that same company, and that was not given to us when we were there.

Thank you, Mr. Chairman.

[The information follows:]

The contractor is Aegis Defence Services, Ltd. (AEGIS) of 118 Piccadilly, LONDON W1J7NW. AEGIS was awarded the Reconstruction security services contract in May 2004; contract number W911SO-04-C-0003. The award was made under full and open competition. AEGIS was one of six (6) submitted offers. Selection was based upon the factors and subfactors established in the solicitation, to include, technical (performance) management and cost, and the Source Selection Authority's review of the evaluation results and his integrated assessment and comparisons of the strengths, weaknesses, and risks of the proposals submitted. AEGIS' proposal had significant strengths over the other offeror's and demonstrated a thorough understanding of the contract requirements. AEGIS is registered in the DoD's Central Contractor Registration (CCR), and is neither a debarred nor suspended contractor. The contract was awarded to AEGIS as it provided the best value to satisfy the needs of the Coalition Provisional Authority (CPA) for Iraq reconstruction security services. The contract is cost reimbursable with a fixed fee.

Under the contract, AEGIS provides a variety of security functions at both the national and operational level. AEGIS provides security services to the U.S. Army Corps of Engineers (USACE), Gulf Region Division (GRD) throughout Iraq and to the Joint Contracting Command-Iraq/Afghanistan (JCC-I/A). Based upon the U.S. Central Command (USCENTCOM) contractor census, as of April 5, 2007, AEGIS employs approximately 1,000 employees in Iraq, 250 of whom are Iraqis.

Request For Proposal (RFP) W91GXZ-07-R-0004 was issued on January 19, 2007, to re-compete the reconstruction security services contract. JCC-I/A extended the current AEGIS contract through late November 2007 as a protest was filed at the General Accountability Office that prevented an award prior to expiration of the current contract; the extension ensures continued security services for the Iraq reconstruction effort. The contract, as extended through November 2007, is valued at \$447,515,614.

Chairman SPRATT. Thank you, Ms. Kaptur.

Secretary England, Undersecretary Jonas, Admiral Giambastiani, thank you very much for coming. We very much appreciate it, and we have learned something from your answers. We would appreciate your answers for the record to the questions that have been put to you.

I would also like to ask unanimous consent that members who did not have the opportunity to ask questions be given 7 days to submit questions for the record.

Mr. ENGLAND. That would be fine. I would be happy to cooperate. Nice being with you again, Mr. Chairman.

Chairman SPRATT. Thank you very much.

[Whereupon, at 12:40 p.m., the committee was adjourned.]